

AGRICULTURAL OUTLOOK



March 1988

Economic Research Service
United States Department of Agriculture

Inside:
**Spreadsheet on
Conservation Policy**

AGRICULTURAL OUTLOOK

March 1988/AO 139



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In Brief . . .

News of the Economic Outlook, Farmland Values, Food Prices

Meat production in 1988 will be up 5 pounds per capita from last year's record. Increases in pork and poultry output will more than offset reductions in beef. Prices received by farmers for livestock products will be lower and feed costs higher. Mainly because of the large meat production, consumers will see a smaller rise in retail food prices this year than the 4.2 percent in 1987.

Hog profits fell sharply in the final quarter of 1987 and will probably continue lower through most of 1988. Net returns in 1988 may average only slightly above breakeven. Prices for barrows and gilts could average in the low to middle \$40's, below 1987's \$52 per cwt.

Relative to use, ending stocks of major crops are down in the United States, because of increased exports, greater domestic use and, for most grains, decreased production. Tighter supplies are strengthening crop prices from last year's reduced levels.

The USSR imported near-record amounts of protein feeds in 1987, and large imports are likely again in 1988. Imports are helping the Soviets overcome a protein shortage, improve feeding efficiency, and increase livestock productivity. The USSR had record livestock production in 1986 and 1987.

The impending Free Trade Agreement between the United States and Canada would eliminate all tariffs and some nontariff barriers between the



two countries by 2000. Fruit and vegetables represent a major part of the agricultural trade between the two countries, and U.S. growers of many of these commodities could benefit from increased trade.

The farmland market strengthened during August-October 1987 from the quarter before. A survey of rural farm appraisers in early November indicated that a third of respondents thought land values had risen during August-October. Over half of respondents thought values were unchanged, while only a tenth thought values had fallen. Nationally, farmland values likely increased in 1987 for the first time since 1982, with strongest gains in the North Central and Northeast regions.

The fall in the value of the dollar has stimulated U.S. exports and helped improve the trade deficit. Lower interest rates and rising exports have increased investment in plant and equipment. Export and investment growth are offsetting a slowing

of growth in consumer and Government spending, pushing the present economic expansion into its sixth year. Inflation-adjusted exports of food, feed, and beverages grew more than 30 percent in 1987.

The Agricultural Credit Act of 1987 heralds substantial changes in the character of the Farm Credit System (FCS). While Federal assistance allows the FCS to operate in the short run, the help is not cheap. Changes include a reorganization of the system, additional rights for its borrowers, and additional measures to ensure the institution's future.

The legislation establishes the Federal Agricultural Mortgage Corporation, or "Farmer Mac," as part of the FCS. Farmer Mac will be responsible for establishing a secondary market for farm real estate loans and certain rural housing loans. A separate but parallel secondary market for FmHA-guaranteed farm debt is to be established and administered by the Secretary of Agriculture.

Legislation regulating fertilizers, pesticides, and land use can have a major effect on agricultural resource use, the flow of farm products, and the level of farm income. A spreadsheet in this issue summarizes existing and proposed resource and environmental legislation affecting farming.



Agricultural Economy

Government programs seek to raise the income of the farm sector by supporting commodity prices or producers' income. Programs apply to cotton, dairy products, feed grains, honey, peanuts, rice, soybeans, sugar, tobacco, wheat, and wool and mohair. For most farm commodities, reducing the quantity sold raises the market-clearing price sufficiently to increase total revenue. If commodity programs can cause farmers of major commodities to decrease production and increase revenue, their profits will grow.

Growers of some nonprogram commodities may also be helped indirectly by Government programs. Often, however, they are not helped, and in some cases farm programs may even cause them a loss of income.

Side effects of commodity programs on nonprogram commodities, as well as on other program commodities and even on nonfarm commodities, result when farmers shift resources or consumers shift consumption. For example, farmers can use resources freed from corn production to grow dry edible beans or sunflowers, or consumers can switch from sugar to corn sweeteners, from dairy products to vegetable oil products, or from cotton, wool, and mohair to synthetic fibers.

Programs Have Complex Side Effects

The impact of one commodity on others is sometimes complicated. For ex-

ample, wheat, a food grain, has excellent nutritional properties for cattle and hogs, and is substituted for feed grains when wheat prices are low enough to compete with them. Therefore, an increase in wheat price supports relative to corn supports can cause loss of wheat markets to corn. This year, relatively high wheat prices are discouraging the feeding of wheat to livestock.

When the feed grain program lowered loan rates, market prices for grains were allowed to fall. At the same time, incomes of growers were maintained with payments for the deficiency between the market price and the target price. Lower prices made feeding more grain to livestock attractive. Soybean meal is used with grains to build a nutritious feed formula, so more soybeans were required even though they had become more expensive relative to grain.

Corn and soybeans compete for the same land, and the attractiveness of the feed grain program transferred some soybean acres into corn production. In this way, the feed grain program tended to increase use of soybeans, decrease their production, and increase their price. However, the higher price of soybeans relative to grain could result in lower protein rations, and the boost to soybean prices in world markets gives South American growers incentive to grow and export more soybeans.

A number of soil-conserving crops can be grown on the land used for program crops. The Food and Security Act of 1985 included a 50/92 provision which, among other things, allowed program participants to devote some of their permitted but unused acres to conserving uses or to production of nonprogram crops.

The Food Security Improvement Act of 1986 limited the nonprogram crops that could be grown under 50/92 provisions to castor beans, crambe, flaxseed, guar, mustard seed, plantago ovato, safflower, sesame, sunflower, sweet sorghum, rye, triticale, and "commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf)."

To date, farmers have not been permitted to grow even these specified nonprogram crops on the 50/92 acreage because of the potential adverse

effect on other growers of such crops. One reason for this is that the total acreage for all of the permitted soil-conserving crops is less than 2 percent of the acreage of all program crops. Hence, a small percentage of program crop acreage planted to these soil-conserving crops could have an overwhelming effect on output of the minor crops.

Small, Specialized Markets Can Be Swamped

The crops specified in the 1986 act have diverse uses. Castor beans, flaxseed, mustard seed, and plantago ovato have medicinal uses; guar is used for forage and as a thickening agent in certain processed foods and sauces; mustard seed and sesame have uses as condiments; rye and triticale are used as food grains, feed grains, or cover crops; sweet sorghum is used primarily for molasses or sorghum syrup; and safflower, sesame, and sunflower are used in edible salad and cooking oils.

The profitability of such crops varies with the presence of local processing plants and the availability of contract markets for growers. Added production of these crops as a side effect of programs for major crops could devastate these small and specialized markets.

When sunflowers were permitted on cropland idled under grain price support programs during the early 1970's, sunflower acreage tripled. A decade later, when sunflowers were no longer a permitted crop and prices for them were low relative to program crops, sunflower production gave way to barley and wheat.

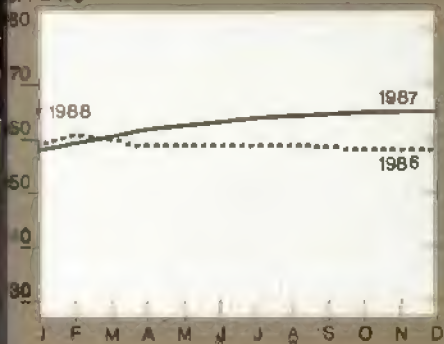
Dry beans, potatoes, and vegetables are nonprogram crops which have significant potential for interaction with program commodities. Each of these has a harvested acreage of 1 percent or less of the acreage in program crops, so their growers are concerned by prospects of their being substituted for program crops.

Dry edible beans can be grown on corn land. USDA economists estimate that a 10-percent increase in corn prices in a free market would attract dry bean acreage to corn, reduce bean output, and increase bean prices about 2 percent. This illustrates how growers of nonprogram crops, in this case dry beans, can benefit indirectly from a higher corn price.

Prime Indicators of the U.S. Agricultural Economy

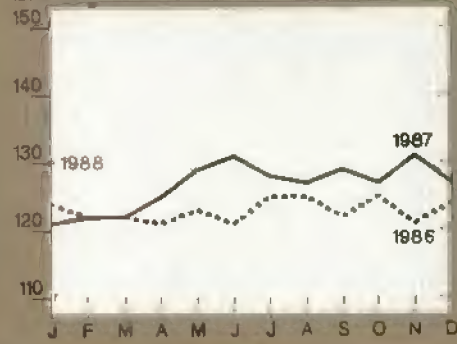
Index of prices paid by farmers¹

1977=100



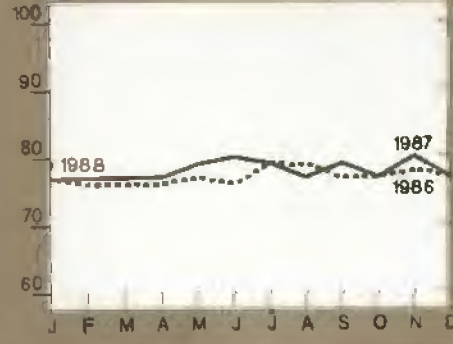
Index of prices received by farmers²

1977=100



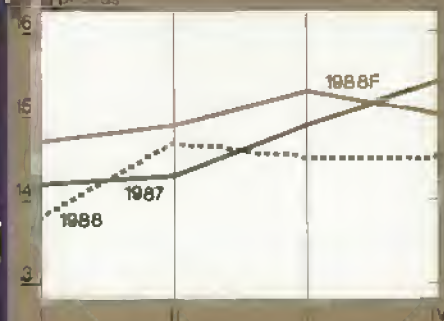
Ratio of prices received to prices paid

Percent



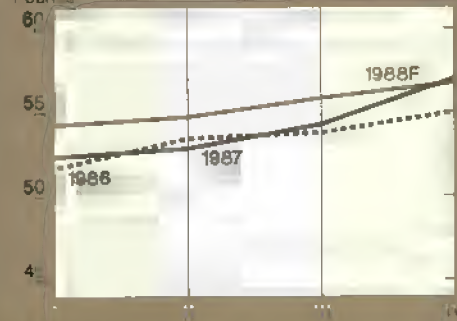
Red meat & poultry³
production

pounds



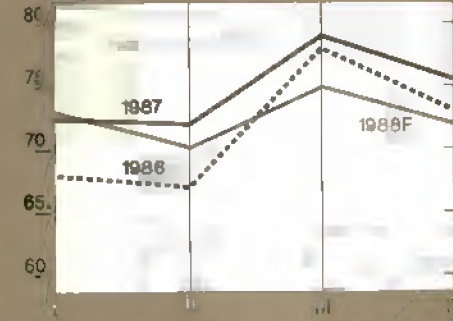
Red meat & poultry
consumption, per capita^{3,4}

Pounds



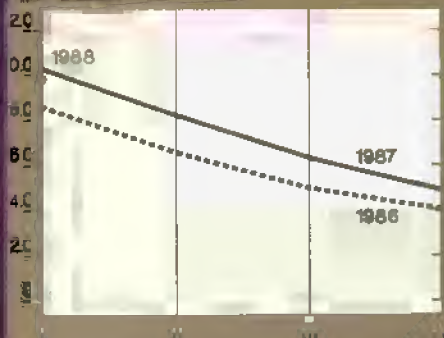
Cash receipts from
livestock & products⁵

\$ billion



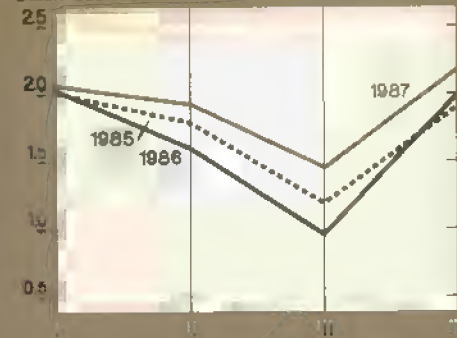
Corn beginning stocks⁶

Billion bushels



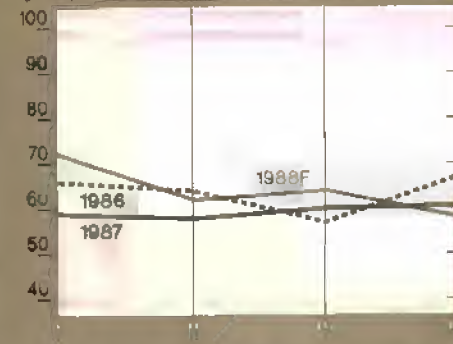
Corn disappearance⁶

Billion bushels



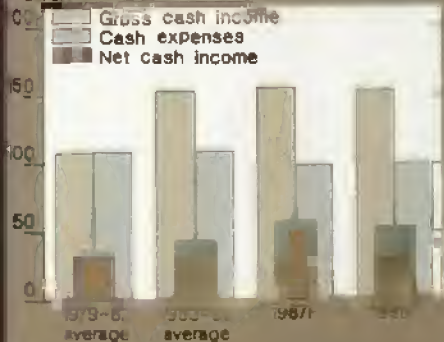
Cash receipts from crops⁵

\$ billion



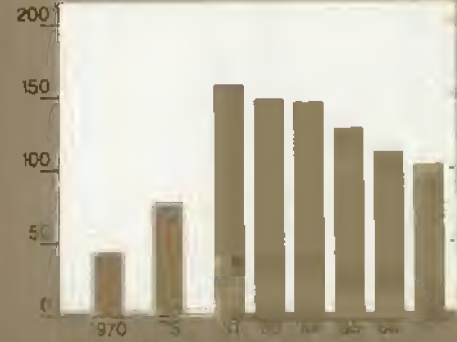
Farm net cash income

\$ billion



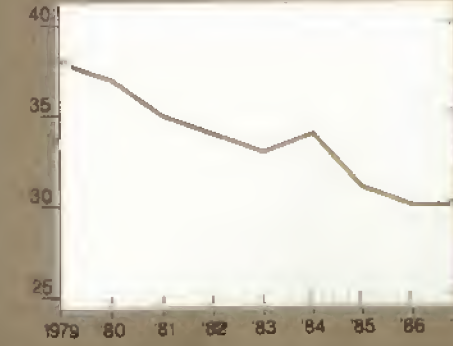
Farm real estate values

1977=100



Farm value/retail food costs

Percent



for commodities and services, interest, taxes, and wages. Beginning in 1986, data are only available quarterly. ³For all farm products. ⁴Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts. ⁵Retail weight. ⁶Seasonally adjusted annual rate. I=Jan.-Feb., II=Mar.-May, III=June-Aug., IV=Sept.-Nov., F=forecast.

However, if dry beans were permitted on acres idled under the corn program, as was possible under the original 50/92 provisions, the dry bean market could be inundated; a 1-percent decrease in planted corn acreage, if devoted entirely to dry beans, could lead to a 50-percent increase in bean production.

Recent changes in feed grain price supports had a major impact on the profitability of livestock because feed grains account for about half the total value of all feed. During the early 1980's, feed grains were supported at relatively high levels and feed costs ate into livestock profits.

Under the 1985 act, loan rates were lowered, but the income of program commodity growers was supported by direct payments. This made program crops more competitive in world markets and it also reduced feed costs. As a result, livestock profits increased during 1986 and 1987. This year, however, livestock supplies are increasing as a response to the increased profits; prices for livestock are getting lower, and profits are narrowing again.

Allowing haying and grazing on set-aside land has been considered by Administration officials. Prospects are for an annual average of some 40 million acres of cropland to be set aside over the next few years. Grazing of conservation acreage will be permitted except during 5 consecutive months of the 7-month period between April 1 and October 31. Haying on this land is not allowed except under emergency conditions, or when the Secretary of Agriculture determines that haying will not have an adverse economic effect within the State.

Haying and grazing of cropland idled under commodity programs would stimulate beef production and decrease feed use; farmers would bring cattle to heavier grass-fed weights before putting them on feed. While haying and grazing of these lands likely would add only moderately to total annual beef production, it could be important to the farmers who do it.

Farm price and income support programs improve income from program commodities, but they can have unintended effects, including income reduction for some nonprogram commodities. That is, some farmers indirectly help to pay for programs so the sector as a whole can receive a higher income. [Clark Edwards (202) 786-3313]

LIVESTOCK OVERVIEW

Per capita consumption of red meat and poultry in 1988 is forecast at about 222 pounds, up nearly 5 pounds from 1987's record. Pork, broiler, and turkey production may be up 7, 5, and 10 percent, respectively. Beef production, by contrast, may decline 5 percent.

Barrow and gilt prices may average \$41 to \$47 per cwt in 1988, compared with the low \$50's in 1986 and 1987. Choice steer prices may average in the middle \$60's per cwt, near 1987.

After a sharp decline last year, poultry prices are expected to slip further in 1988.

First-Quarter Broiler Production May Be 7 Percent Higher

Broiler production during 1987 was estimated more than 9 percent above 1986. The quarterly broiler hatchery supply flock estimates, which correlate with first-, second-, and third-quarter 1988 slaughter, were 15, 13, and 8 percent greater than in 1986, respectively.

Monthly hatch and weekly chick placements suggest that first-quarter 1988 production may be 7 percent larger than a year ago. Production during all of 1988 is projected only 5 percent above last year, mainly because of narrowing profit margins.

Wholesale prices for broilers moved down considerably in 1987 from 1986 highs of nearly 80 cents per pound. The 12-city composite price for whole broilers averaged 47 cents last year, down from 57 during 1986. Average slaughter weights were up 2 percent in the last quarter of 1987. Weekly slaughter weight increases in January continued around 2 percent. With production still increasing above trend, average prices during first-quarter 1988 are expected to fall to the 41-45 cent range. Prices during the second and third quarters may rise slightly, averaging 41 to 47 cents. The average broiler price for 1988 is expected to be 46 to 46 cents.

Turkey Output May Climb 10 Percent

Turkey production increased an estimated 18 percent during 1987. After prices had declined to below breakeven in the third quarter, they climbed dramatically during November and De-

cember, putting fourth-quarter net returns close to breakeven. Because no two consecutive quarters had strong negative net returns, producers probably did not get an intense signal to slow growth. Production is now forecast to rise 10 percent in 1988, up from the earlier forecast of 6 percent.

Poults placed for slaughter for the first 4 months of 1988 were 17 percent ahead of a year earlier. First- and second-quarter 1988 slaughter totals are expected to be 19 and 16 percent higher than a year earlier, respectively. Production for 1988 is expected to be 10 percent greater than for 1987.

Turkey stocks fell to 284 million pounds by the beginning of January, but they were still approximately 60 percent greater than a year earlier because production increased 17 percent during the fourth quarter. The rising stocks occurred in spite of attractive retail prices which boosted fourth-quarter per capita consumption to 6 pounds, 13 percent greater than a year earlier.

Fourth-quarter wholesale prices for 8-16 pound hen turkeys in the Eastern region averaged about 61 cents per pound. First-quarter 1988 prices are forecast to average 48 to 52 cents. Turkey prices are expected to rise seasonally toward breakeven during the third and fourth quarters, although ample supplies of chicken and pork will buffer the gain. Prices for 1988 as a whole are likely to average 50 to 56 cents.

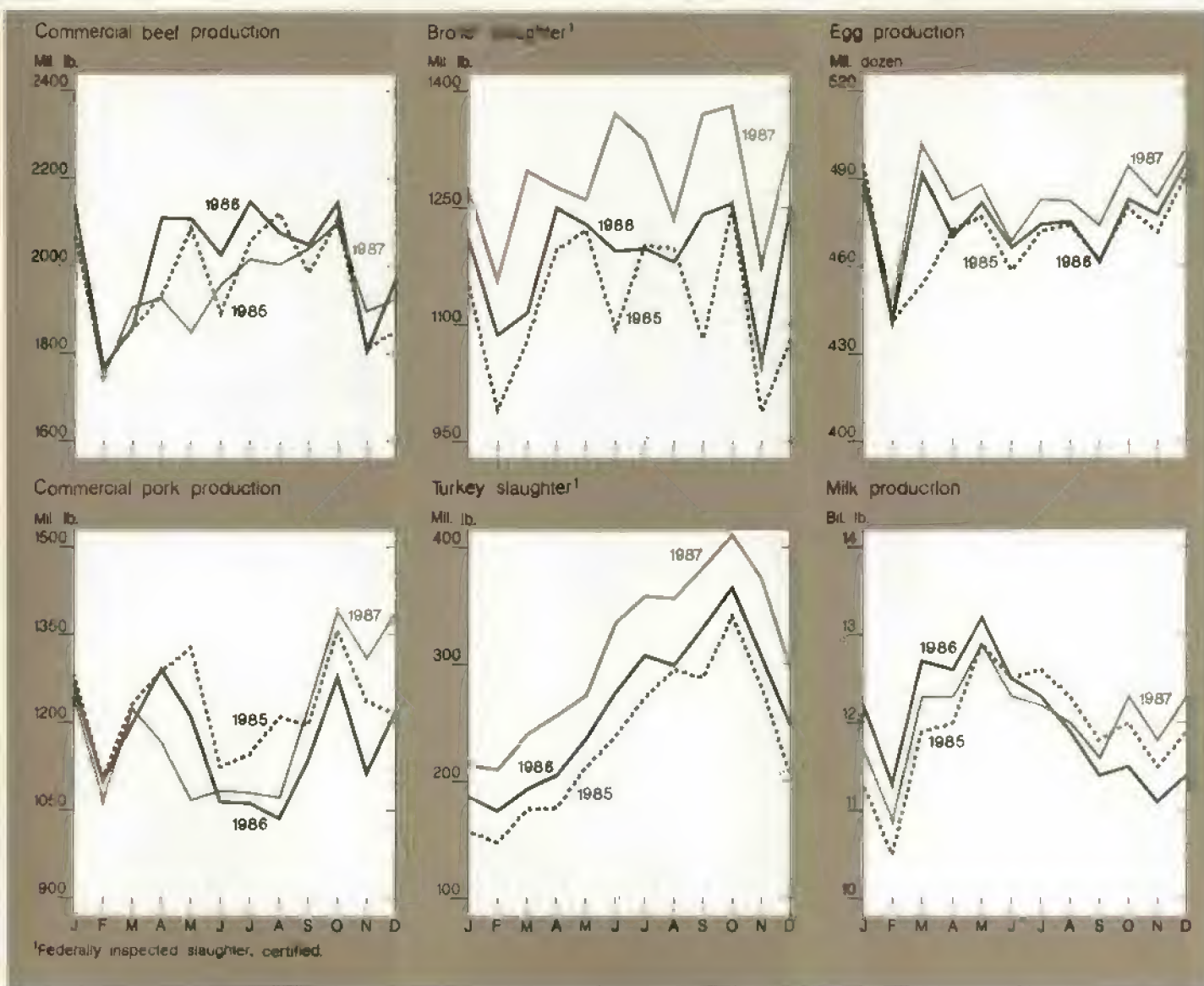
Eggs Forecast Down

Egg production in 1987 was 1.6 percent above 1986. However, with net returns below breakeven during the fourth quarter—when producers normally expect profits—production likely will fall during 1988.

Nevertheless, output during 1988 is expected to fall less than 1 percent. This implies a 5-egg reduction in per capita consumption for the year, 2 percent below the 250-egg average in 1987. The U.S. flock during December was 1.0 percent greater than a year earlier.

On December 1, the number of potential layers (hens and pullets of laying age, plus pullets 3 months and older) was 1.6 percent greater than a year earlier. Slaughter of light-type hens, however, increased considerably dur-

Production of Livestock and Products



ing November-January, indicating a desire by producers to have a younger, more efficient flock.

Prices of wholesale grade-A large eggs in New York averaged 62 cents per dozen in 1987, well below the 71 cents recorded in 1986. Wholesale prices may average 58-64 cents during 1988. Prices are expected to average 55-59 cents for the first quarter and 53-59 for the second.

Dairy Supports Reduced

The Food Security Act of 1985 requires the Secretary of Agriculture to reduce the milk support price on January 1, 1988, 1989, and 1990 if the Commodity Credit Corporation's net purchases in the upcoming year are

projected to exceed 5 billion pounds, milk equivalent. On December 30, USDA announced that the support price would be reduced from \$11.10 to \$10.60 per cwt on January 1.

USDA estimated that net purchases under the price support program for 1988 would reach 7.3 billion pounds without the 50-cent-per-cwt reduction. This estimate took into account the 2.5-cent-per-cwt reduction provided for in the Omnibus Budget Reconciliation Act of 1987. With the 50-cent reduction, net purchases are estimated at 6 billion pounds.

When the new purchase prices for butter and nonfat dry milk were calculated, the reduction in the support

price for milk used in making those products was allocated two-thirds to nonfat dry milk and one-third to butter. The new purchase prices, per pound, are \$1.32 for butter (down 3.75 cents) and \$0.7275 for nonfat dry milk (down 4 cents).

Block Cheddar cheese prices were reduced 4.75 cents to \$1.1525 per pound, while barrel cheese prices were reduced 4.5 cents to \$1.1125. CCC-owned dairy products will continue to be sold for unrestricted use at prices about 10 percent above the newly established purchase prices.

Budget legislation enacted in December contained two important provisions

Beef Data Changes

The following changes have been made in ERS data describing the beef industry (back tables 8, 10, and 16).

All fresh retail price series.—The current Choice beef retail price reports the price of only a portion of the total retail beef sold. Many retailers now sell "no-roll" or other-than-Choice beef, as well as a higher proportion of ground beef than is used to calculate the Choice price. An all fresh beef composite retail price has been developed to reflect the average price paid for fresh beef. It appears in table 16. This series is being published in addition to, and does not replace, the Choice series which appears in table 8.

This all fresh beef series averaged about 30 cents per pound lower than the Choice series average of 242.5 cents per pound in 1987. It also will be examined as a possible series to multiply by consumption to estimate total consumer expenditures for beef. This new series does not adjust for prices paid for beef eaten away from home.

Carcass-to-retail weight consumption conversion factor.—The original com-

putation of beef consumption in the Supply and Utilization table (see table 10) is on a carcass-weight equivalent basis. To convert these carcass weight equivalent quantities to a retail weight equivalent, a factor of .74 has been used since 1962.

The National Academy of Sciences and the Economic Research Service recently cooperated in assessing the applicability of this conversion factor over time. Because of offsetting trends, the .74 appears to have been reasonably correct from 1962 through 1985. But, the rapid move to closer trimming and to selling more boneless cuts during 1986 resulted in a change in the conversion factor to .73 for 1986.

The computation procedure will be used each year to determine whether the factor needs further change. Using .73 for 1986 and 1987 gives estimates of 78.8 and 75.7 pounds of civilian consumption of beef per capita; using .74 would have given an estimate of 79.8 and 76.7 pounds (see table 10). Data should be available this spring to calculate what the conversion factor should be for 1987. [Larry Duewer, Ken Nelson (202) 786-1712]

sions directly affecting dairy. A deduction of 2.5 cents per cwt of milk marketed will be collected throughout 1988. This comes instead of large discounts in payments slated through September under the sequester provisions of Gramm-Rudman-Hollings.

Future sequester orders under Gramm-Rudman-Hollings are to accomplish the required savings in net outlays through deductions instead of discounts.

First-Quarter Cattle on Feed Up

Commercial beef production fell 3 percent in 1987, while cattle slaughter was down 4 percent from 1986. Beef production fell less than cattle slaughter because carcass weight rose by 6 pounds. Both fed and nonfed cattle posted weight increases for the year.

U.S. fed cattle marketings reached nearly 23 million head in 1987, slightly higher than 1986 and only 1.3 million head below the record marketings in 1978. The increase likely will end during the coming year.

Fed cattle slaughter is expected to fall nearly 500,000 head in 1988. Smaller calf crops during the past several years will finally begin to reduce the available pool of feeder cattle. Tighter supplies and higher feeder cattle prices may force some feedlots to operate below peak capacity and leave pen space empty, rather than feed cattle with little prospect of profit.

Feedlot marketings are not expected to begin declining until the relatively large numbers of cattle currently on feed have been slaughtered. Cattle on feed on January 1 in the 13 quarterly reporting States were up 6 percent from the previous year, with inventories in seven States 8 percent higher in February.

The larger on-feed inventories as well as a higher-than-average concentration of heavy-weight cattle indicate that fed cattle supplies will remain readily available well into the second quarter.

Second-quarter fed cattle supplies will decline from the first quarter but remain near a year earlier or perhaps be slightly higher. In the second half of 1988, tight feeder cattle supplies at higher prices likely will generate relatively small feedlot profits and could push fed cattle marketings 6 percent below second-half 1987. [Leland Southard (202) 786-1285]

For further information contact: Kevin Bost, hogs; Mark Weimar, broilers, turkeys, and eggs; Steve Reed, cattle; and Sara Short, dairy. All are at (202) 786-1285.

FIELD CROP OVERVIEW

Stocks of all major crops in the United States are lower than last season. Stocks-to-use ratios are falling significantly, causing prices to move above a year earlier. However, U.S. farmers remain heavily dependent on Government programs.

USDA Changes Grain Loan Regulations

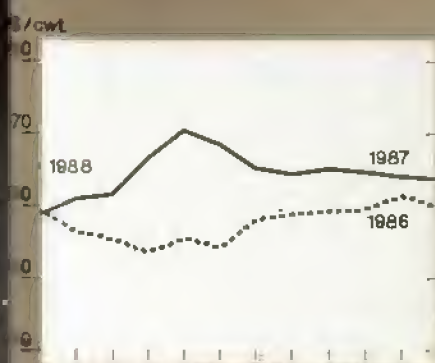
On January 29, USDA announced that 9-month producer loans for wheat, feed grains, and soybeans would not be extended. Grain in the Special Producer Loan Program maturing after March 1, 1988, will not be extended and may not enter the Farmer-Owned Reserve (FOR). Entry into the FOR is not permitted for 1987-crop wheat and feed grains. In addition, 1983-crop and prior-crop wheat, barley, and oats in the FOR will not be extended after March 1. One-year extension is available for 1984-crop wheat, barley, and oats in the FOR.

In December, Congress reduced the minimum level requirement of the FOR to 300 million bushels of wheat and 450 million bushels of feed grains. The FOR and Special Producer Loan Program as of February 3 contained more than 500 million bushels of wheat and almost 1.7 billion bushels of feed grains. The new legislation reduces the amount of grain withheld from the market by the FOR, potentially increasing free supplies.

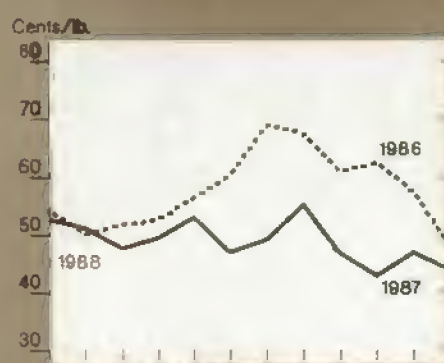
On January 21, USDA announced that the program signup period is from February 16 through April 15. Target and loan prices are reduced by the amounts permitted by the Omnibus

Commodity Market Prices

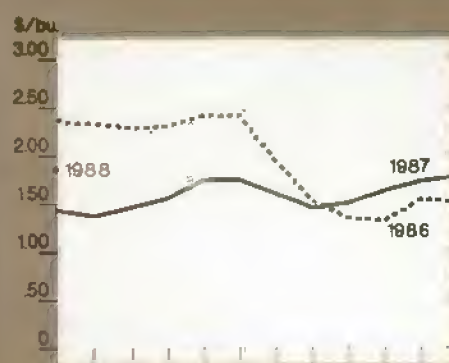
Choice steers, Omaha



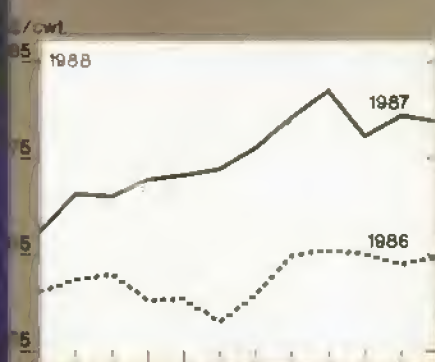
Broilers, 12-city average



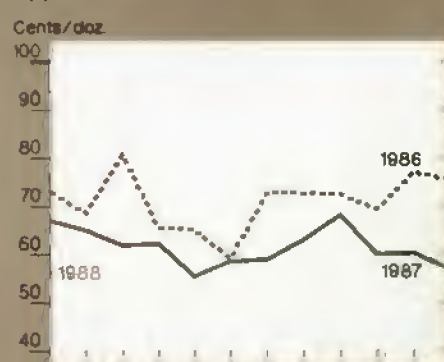
Corn, Chicago³



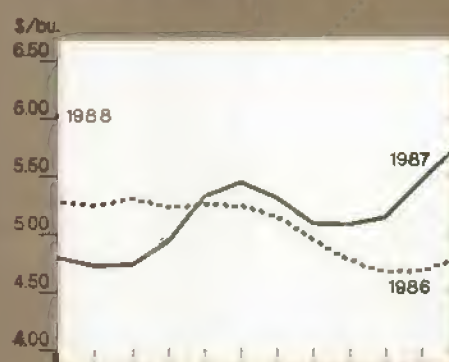
Feeder cattle, Kansas City¹



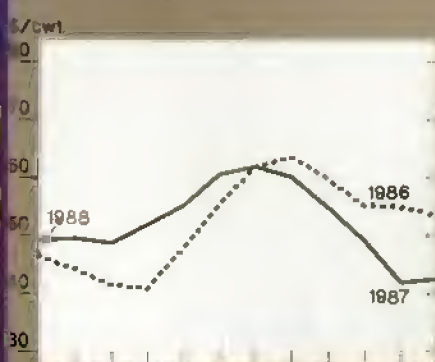
Eggs, New York²



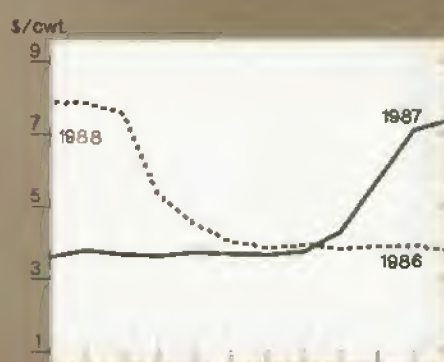
Soybeans, Chicago⁴



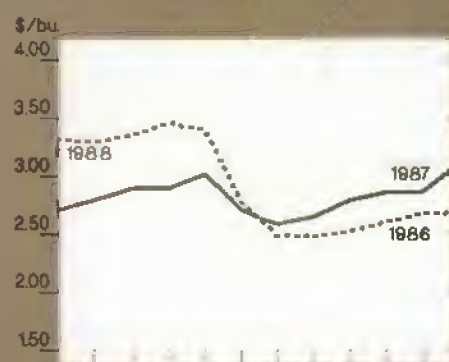
Barrows and gilts, 7 markets



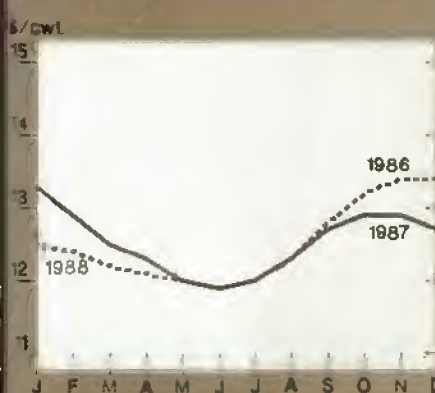
Rice (rough), SW Louisiana



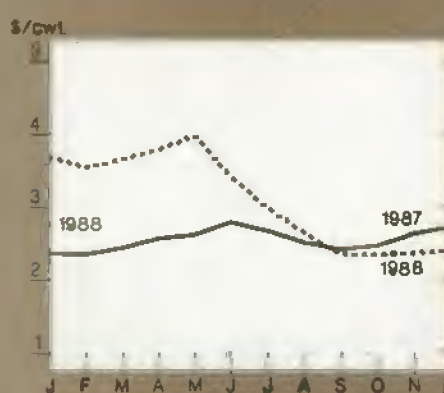
Wheat, Kansas City⁵



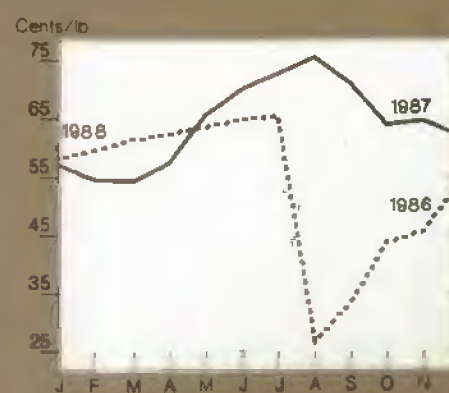
All milk



Sorghum, Kansas City



Cotton, average spot market



¹600-700 lbs medium no. 2

²Grade A Large

³No. 1 Yellow

⁴No. 2 Yellow

⁵No. 1 HRW

Reconciliation Act of 1987, and advance deficiency payments are 40 percent of estimated commodity deficiency payment rates. Half of the advance will be paid in cash at signup and the balance in generic certificates about May 16.

Winter Wheat Seedings Slightly Below Last Year

Winter wheat seedings provide the first concrete information on 1988 crop production. Planted area is reported at 48.3 million acres, down 1 percent from a year earlier and the lowest in a decade. States growing Soft Red Winter wheat (SRW) increased area, while other areas cut acreage. Hard Red Winter (HRW) area is estimated at 34.4 million acres, down 1.9 million, while SRW increased 1.6 million to 10.6 million. This is because prices for SRW are higher than for HRW. Normally, HRW prices are higher.

Though not "bread quality" wheat, SRW has been selling at a premium to HRW because of strong demand and tight supplies. Ending stocks of SRW for 1987/88 are forecast at 50 million bushels, less than 13 percent of use. Missouri, a major SRW producer, increased area 72 percent. White wheat area declined because of dry weather in the Pacific Northwest, offsetting larger plantings in Michigan.

Winter wheat area might have increased if the Conservation Reserve Program had not taken wheat acreage out of production. Wheat area in the reserve may rise more than 2.5 million acres in the 1988/89 crop year.

Wheat Trade Up

Although the foreign 1987/88 wheat crop is 6 percent smaller than last year, record carryin means that available supplies are second only to last year's alltime high. World utilization is up 1 percent, although lower Soviet wheat production caused a drop in global feed use.

World wheat trade is growing 12 percent in 1987/88; the total volume (excluding intra-EC shipments) is expected to reach 102 million tons, up 11 million from last year and 17 million from the 1985/86 bottom. Exporters' supplies are down from 1986/87, contributing to gains in world prices from last year's depressed levels.

U.S. wheat exports during 1987/88 may total 42 million tons, about 50

| Ending Stocks-Use Ratio | | | |
|-------------------------|---------|---------|-----------|
| Crop | 1985/86 | 1986/87 | 1987/88 F |
| | Percent | | |
| Wheat | 97.2 | 82.9 | 48.2 |
| Rice | 63.9 | 33.1 | 15.3 |
| Soybeans | 28.5 | 21.3 | 15.0 |
| Cotton | 111.9 | 35.2 | 34.5 |
| Corn | 62.2 | 65.9 | 52.7 |
| Sorghum | 63.4 | 96.6 | 86.3 |
| Barley | 62.1 | 55.4 | 51.0 |

F = forecast.

percent above last year. An estimated 80 to 85 percent of wheat exports this year will be made under Government export programs.

The Export Enhancement Program (EEP) has grown substantially, becoming the most important factor in this year's trade expansion. New EEP initiatives for wheat between October 1 and February 9 totaled 18 million tons, representing nearly 40 percent of all initiatives since the first wheat offer in June 1985. The average bonus in January exceeded \$40 per ton, about 30 percent of the Gulf Port wheat price.

The closer balance between supply and use has pushed wheat market prices well above the loan rate. This has made it unprofitable for farmers to use generic certificates to quickly redeem wheat put under loan.

The weekly auctions of CCC inventory have made wheat available to both the domestic and the export market. However, the bids in the auctions have remained only moderately below peak county prices.

Much of the decline in U.S. stocks will come out of CCC inventory, and outstanding loans will be lower as higher prices encourage loan redemption. Domestic utilization of wheat is projected to decline modestly. High wheat prices relative to corn have discouraged wheat feeding in the United States.

Late Monsoon Cuts Rice Production

World rice production in 1987/88 is down by 5 percent because of drought in South and Southeast Asia. The Indian and Thai crops are each forecast about 20 percent below last year. Reduced long grain rice supplies in the United States and Thailand, normally

the world's two largest exporters, drove up prices and cut the world trade forecast for calendar 1988 to 10.4 million tons, the smallest in a decade. U.S. long grain production is off 8 percent and carryin is off 44 percent.

Thailand is expected to export only 1.8 million tons of rice during 1988, almost 60 percent below 1987. U.S. exports in calendar 1988 are projected to rise 17 percent, but much of the increase will come late in the year from 1988 crop supplies.

The sharp runup in rice prices will limit import demand, notably in the price-sensitive African markets, and shift buyers toward wheat and other grains. Since U.S. export programs are set in dollar terms, a given allocation will finance a smaller volume of rice trade than in the past.

In the United States, the average market price for rice in 1987/88 is forecast to be \$7.00-\$8.00 per cwt, compared with \$3.75 in 1986/87. This compares with a national average loan rate of \$6.84 per cwt and a target price of \$11.66. Stocks on August 1, 1988, are forecast to be 24.1 million cwt, well below 30 million, the minimum carryin targeted in the 1985 Farm Act.

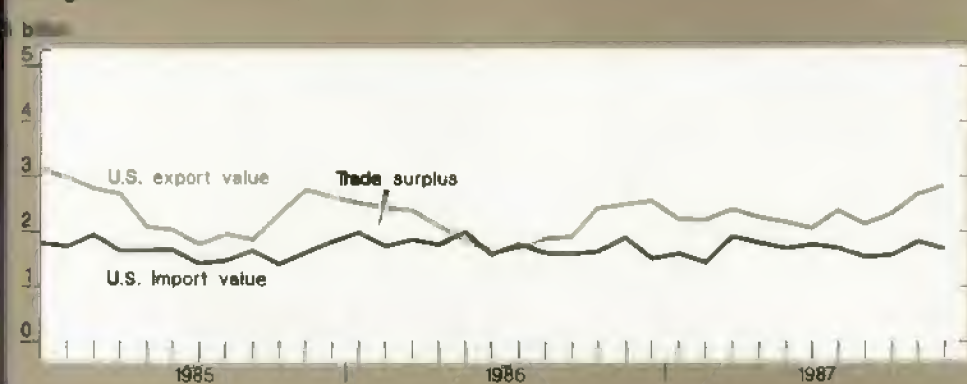
USDA announced a 25-percent acreage reduction program for the 1988/89 rice crop, down from 35 percent in 1987/88.

Coarse Grain Producers May Divert One-Tenth More Land

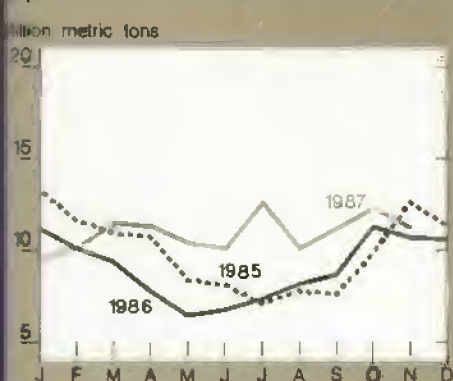
An optional paid land diversion program for corn, sorghum, and barley will be in effect for 1988/89. Participants have the option of idling 10 percent of their applicable crop acreage base in addition to the required

U.S. Agricultural Trade Indicators

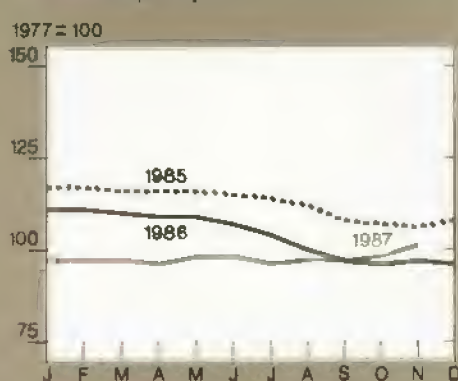
U.S. agricultural trade balance



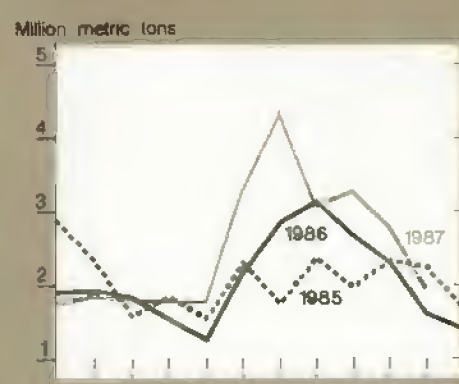
Export volume



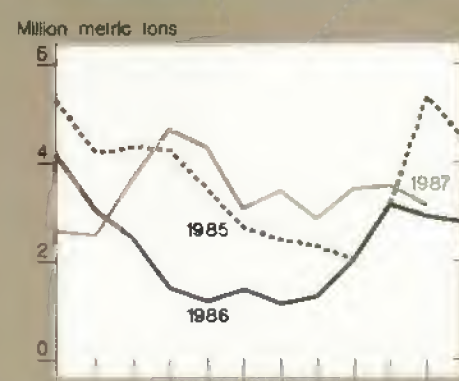
Index of export prices



U.S. wheat exports



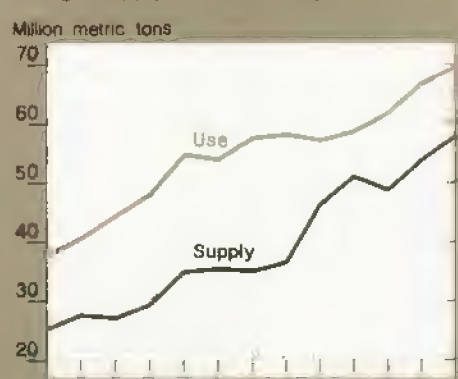
U.S. corn exports



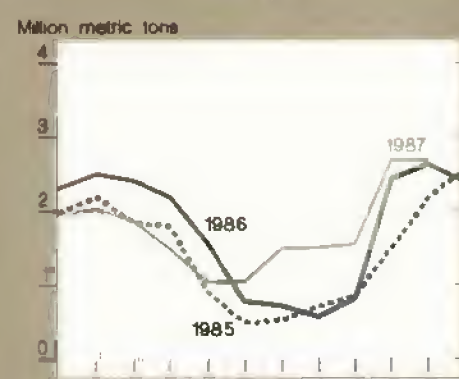
Foreign supply & use of coarse grains



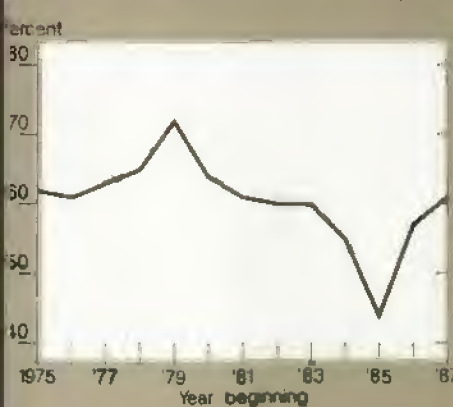
Foreign supply & use of soybeans



U.S. soybean exports



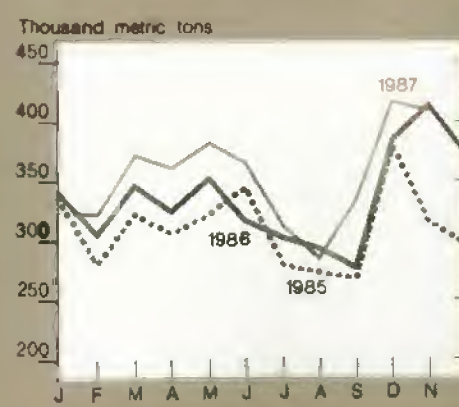
U.S. share of world coarse grains exports¹²



U.S. share of world soybean exports



U.S. fruit & vegetable exports³



¹Excluding intra-EC trade. ²October-September years

³Includes fruit juices.

20-percent reduction. Payment for the land diversion will be \$1.75 per bushel for corn, \$1.65 for sorghum, and \$1.40 for barley. In December, the 1988 corn target price was reduced 4 cents to \$2.93 per bushel.

U.S. corn feed use during September-November was up 8 percent from a year earlier, more than anticipated, partly because the feeding of wheat was discouraged by higher wheat prices. Corn feed use for 1987/88 is forecast at 4.9 billion bushels, up 4 percent from a year earlier. Combined with exports 13 percent greater than in 1986/87, utilization is expected to draw down ending stocks 16 percent to 4.1 billion bushels.

Free supplies, unencumbered by the Government, are severely limited. Much of the corn supplies are in the Farmer-Owned Reserve, under loan, or owned by CCC. As prices move up to near the loan rate, the incentive to use certificates to redeem corn will shrink. This will tighten supplies until prices move enough above the loan rate to discourage loan placements, or to provide the price incentive to redeem corn already under loan.

Corn redemptions are expected to account for over 70 percent of certificate use. Since the pace of redemptions has been slow, the supply of certificates has been ample.

Near-record foreign production of coarse grains and continued price competition from feed wheat are expected to result in only a small increase in world coarse grain trade in 1987/88, despite low prices. Foreign barley production this year is a record, with the best Soviet crop in a decade and good harvests in Canada and the EC. Saudi Arabia, the largest market, is limiting import subsidies after last year's record imports. But the impact on world barley trade will be cushioned by larger imports in Eastern Europe and other countries.

Aggressive use of the EEP will mean another good year for U.S. barley export volume, despite the likelihood of smaller shipments to Saudi Arabia, the world's largest market. Bulgaria, Iraq, Israel, and Algeria have been the largest buyers in recent months.

The foreign corn crop is forecast only 2 percent below last year's record. Although no change is expected in foreign utilization, world corn trade for 1987/88 (October-September) is expected to grow 3 percent.

Large foreign barley and feed wheat supplies are partly responsible for limiting the growth of corn trade. Even so, U.S. corn sales are running ahead of last year, and exports for all of 1987/88 are expected to increase 10 percent to 43 million tons. The United States is gaining market share because of tight competitor supplies.

U.S. Soybean Exports Face Increased Competition

Oilseed markets face record world supplies and modest demand. Soybeans and products are encountering competition from large supplies of other oilseeds, notably rapeseed, and world trade in both soybeans and soybean meal is projected to be little changed in 1987/88. The EC, the world's largest market for soybeans and meal, will import less this year because of record domestic oilseed crops. But, larger Soviet purchases are holding up world trade and U.S. exports.

U.S. soybean exports to date are well ahead of last year; Argentina and Brazil are largely out of the market until their new crops are available. If their crops are as large as expected, U.S. sales and shipments will show a greater-than-normal seasonal decline this spring. U.S. exports for the 1987/88 crop year are expected to about equal 1986/87's 757 million bushels.

The USSR's unexpected November purchase of 1.3 million tons of U.S. soybean meal improved U.S. exports, but even so, the 1987/88 total is expected to be 5 percent below the previous year. Sales to other markets have been weak so far this year, higher prices should further constrain sales, and high crush margins favor exports of beans rather than of meal.

U.S. soybean oil exports are projected to increase 86 percent this year to 2.2 billion pounds. The gain reflects sales under EEP initiatives, particularly to India and North Africa, as well as the carryover from last year's sales to Pakistan and expanded use of P.L. 480.

The final estimate of 1987/88 U.S. soybean production is 2 percent below a year earlier. With crush almost unchanged and exports slightly greater than last year, utilization continues to outpace production, drawing down stocks. Ending stocks are forecast to be 305 million bushels, down over 100 million bushels from last year.

U.S. Export Shares Recovering



¹Includes wheat flour; excludes intra-EC trade.

²Soybeans and soybean equivalent of soymeal.

Farm prices for soybeans are up from last year. Most CCC stocks have been liquidated and are no longer an effective limit to price increases. The average market price for soybeans during 1987/88 is forecast at \$5.35-\$5.75 per bushel, considerably above last year's \$4.78.

The December budget process left the soybean program unchanged, but the Budget Reconciliation Act of 1987 included a \$10-million export promotion program for sunflowerseed oil.

U.S. Cotton Output Matches Use; World Supplies Tighten

This season's domestic cotton yield was a record 703 pounds an acre. Abandonment was minimal. Over 96 percent of the planted area was harvested, compared with 84 percent the year before. The crop totaled 14.72 million bales.

The 51-percent increase in production is largely offset by sharply lower beginning stocks, leaving total supplies up only 3.6 percent. Utilization is forecast up 5 percent because of increasing exports and mill use. The 1987/88 carryout is forecast at 5.1 million bales, slightly above 1986/87, and 1.1 million above the target set by the 1985 Farm Act.

Domestic mill use of cotton, forecast at 7.8 million bales in 1987/88, continues strong. In the past, slower economic growth usually has cut mill use. Recent dramatic declines in the financial markets have raised concern over the sustainability of current mill use levels, contributing to a recent weakness in cotton prices.

Provisions announced for the 1988 upland cotton program include a loan rate of 51.8 cents per pound and a target price of 75.9 cents. A 12.5-percent acreage reduction program will be in effect for 1988, in contrast to the 25-percent reduction in 1987. No paid land diversion will be offered.

World cotton production this season will be below projected consumption by 4.4 million bales, bringing ending stocks to their lowest since 1983/84. Despite relatively high prices, foreign cotton consumption (excluding China) is up again in 1987/88, although the small gain projected for this year is well below the pace of the last several years. The slowdown in consumption growth is contributing to a small drop

in world cotton trade, but the 24.2 million bales in exports projected for the year is second only to the 1986/87 record. [Ed Allen (202) 786-1840 and Frederic Surls (202) 786-1824]

For further information, contact: Sara Schwartz, world food grains; Allen Schienbein, domestic wheat; Janet Livezey, rice; Peter Riley, world feed grains; Larry Van Meir, domestic feed grains; Tom Bickerton, world oilseeds; Roger Hoskin, domestic oilseeds; Carolyn Whitton, world cotton; Bob Skinner, domestic cotton; Jim Schaub, peanuts. World information, (202) 786-1820; domestic, (202) 786-1840.

HIGH-VALUE CROP OVERVIEW

Orange Prices Higher This Season

U.S. orange production this season probably will surpass the 1986/87 harvest by 6 percent; a 13 percent larger crop in Florida will more than offset lower California and Arizona output. Unusually large fruit drop last summer reduced California's navel orange harvest this season. Cold weather in December cut Arizona's navel output.

Expected strong export demand for fresh oranges and reduced imports of frozen concentrated orange juice (FCOJ) will keep prices above a year ago. Dry weather in Brazil's orange-growing area dropped production below earlier estimates, raising FCOJ prices and thereby providing further strength to U.S. prices.

Lower U.S. imports of FCOJ, mostly from Brazil, will raise the demand for Florida oranges. Florida FCOJ at the processing plant is selling at prices nearly one-third higher than last year, and prices probably will stay strong throughout the season. Growers' on-tree returns for all oranges averaged \$6.19 a box in January, up 54 percent from a year earlier.

California and Arizona Valencia oranges look good and should provide plenty of fresh fruit later in the season. Texas continues to recover from the devastating 1983 freeze. Estimated production stands at 1.55 million boxes this year, compared with 875,000 last season and an average 3.5 million before 1983.

February 1 projections indicate that Florida's FCOJ yield this season is the

same as last season, at 1.51 gallons of 42.0 degrees Brix concentrate per box of oranges. The larger crop will boost FCOJ output.

Lettuce Prices Returning to Normal

Lettuce shipments and prices should return to normal this spring as harvesting moves north from California's Imperial Valley and spring brings improved weather. Both grower and retail lettuce prices likely will decline to more typical levels.

Grower and retail prices soared during the fall because unusual heat and pest problems reduced yields. In November and December, lettuce sold for \$20 to \$25 per carton, f.o.b. California shipping points, compared with \$4 to \$7 a year earlier. By early February, prices ranged between \$3 and \$12.

Prices remained higher than usual during the winter because cold weather and plant disease transmitted by the white fly reduced midwinter shipments from the Imperial Valley. The valley usually supplies most of the domestic lettuce supply during midwinter.

Larger Potato Crop Dampens Prices

A larger 1987 potato crop and more carryover stocks of fresh potatoes pushed fresh prices this fall and winter below a year earlier. Idaho russets (50-pound cartons, non-size A, 70-80 count) sold for \$13.50-\$14.00 per cwt at the end of January, compared with \$17.50-\$19.00 the year before. Maine round whites (size A in 10-pound bags) brought \$5.80-\$6.00, down from \$8.10-\$8.50 during the same week in 1987. The U.S. average price for potatoes sold for all uses stood at \$3.60 per cwt in January, down 25 percent from January 1987.

U.S. potato production rebounded in 1987 to an estimated 385.7 million cwt, up nearly 7 percent from the previous year, but still 3 percent short of 1985's record crop. Higher yields and expanded acreage fueled the recovery in the Pacific Northwest. Although Maine's production rose on the strength of higher yields, it fell short of 1985 output, and the State's potato acreage continued its long-term decline.

Fresh potato stocks stood at 196 million cwt on January 1, 8 percent above a year earlier. Frozen potato stocks fell 2 percent.

Sugar Imports Lowest of Century

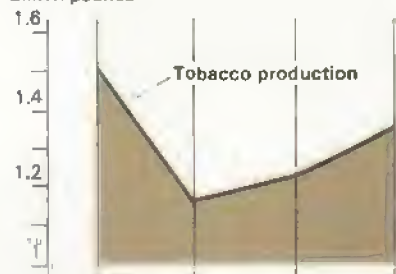
U.S. buyers can import only 757,880 tons, raw value, of sugar during 1988, according to the import quota that USDA announced in December. The new quota falls 25 percent below last year's imports and likely will result in the smallest use of foreign sugar this century.

USDA uses the sugar import quota to achieve, among other things, the no-cost requirement of the sugar program prescribed in the 1985 Food Security Act. The quota is raised or lowered as necessary to assure that supplies clear the domestic market, sparing the Commodity Credit Corporation from having to take ownership of sugar put up as loan collateral. Imports have fallen from 5 million tons in fiscal 1981—before the restrictive quotas began—to 1 million in 1987.

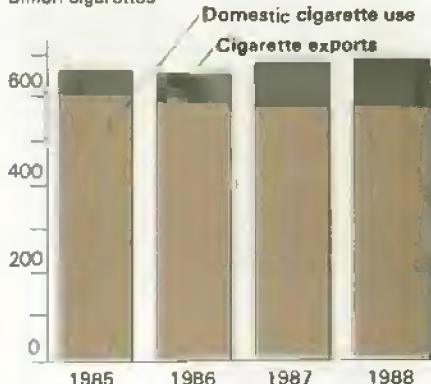
The Continuing Resolution Appropriation Act, signed in December, requires USDA to issue regulations outlining a special Export Enhancement Program for sugar. USDA is in the process of putting these regulations together. It is unclear, however, whether USDA has the authority or the necessary funding to operate the program.

Cigarette Exports Buoying U.S. Tobacco Production

Billion pounds



Billion cigarettes



1988 forecast

Burley Tobacco Quota Larger

Strong domestic and export demand for tobacco resulted in USDA's raising the 1988 basic national marketing quota for burley tobacco to 473 pounds, 2 percent higher than in 1987. In announcing the increase, the Secretary of Agriculture cited manufacturers' purchase intentions and export and loan stock levels.

Farmers who produce less than their quota in one year can sell the amount of the shortfall the following year. Since last season's undermarketings exceeded overmarketings by an estimated 80 million pounds, the 1988 effective quota will be about 553 million pounds, 5 percent above a year earlier.

Strong export demand for U.S. cigarettes, a shift to greater use of domestic tobacco, and the need to replenish inventories prompted manufacturers to raise purchase intentions 24 percent over 1986/87. U.S. cigarette exports rose 56 percent in 1987, in part because of reduced trade barriers in the Far East and a less expensive dollar. [Glenn Zepp (202) 786-1883]

For further information, contact: Ben Huang, fruit; Shannon Hamm, vegetables; Dave Harvey, sweeteners; Verner Grise, tobacco. All are at (202) 786-1886.

Upcoming Economic Reports

Summary
Released

Title

March

- 2 Fruit & Tree Nuts
- 9 World Ag. Supply & Demand
- 10 Sugar & Sweeteners
- 17 Agricultural Outlook
- 18 Rice Yearbook
- 21 World Agriculture



Commodity Spotlights

Lower Returns for Hog Producers

The profitability of U.S. hog operations diminished in fourth-quarter 1987 and will probably continue lower through most of this year. Net returns in 1988 will be down substantially and may average only slightly above breakeven, unlike the relatively good years of 1986 and 1987. Lower hog prices will account for the bulk of the decline, although higher feed costs will contribute.

Increased pork supplies will limit seasonal price rallies. Of all hog operators, feeder pig producers are likely to experience the largest year-to-year declines in profitability, with higher feed costs and lower pig prices squeezing margins. Finishing operations should fare somewhat better, as reduced feeder pig prices help offset a decline in hog prices.

Fixed costs per head may be slightly lower as a greater share of slaughter animals comes from large production facilities. If so, the breakeven point may be lower than last year.

Inventory Up 6 Percent

Pork producers have expanded breeding herds, but the expansion is slowing. In the 10 quarterly reporting States, the number of hogs kept for

breeding was 5.4 million head on December 1, up 6 percent from a year earlier. This was the largest 10-State breeding herd figure since the expansion began in June 1986. The December 1 breeding herd for all States, at 7.0 million head, was up 5 percent from a year earlier but unchanged from June 1987.

Despite the continued increase in the 10-State herd, farrowing intentions reflect a cautious attitude among pork producers. Sows farrowing in September-November were up 7 percent in the 10 States and 6 percent in the United States. These sows were bred last May-July, when returns were highest.

Though greater than a year earlier, fall farrowings were low in relation to both producers' first intentions (reported in June) and farrowings in the two preceding quarters. In light of market conditions, the year-to-year increase was relatively modest. The accelerated breeding activity in the early part of 1987 was apparently scaled back by midyear, perhaps in response to bearish price forecasts.

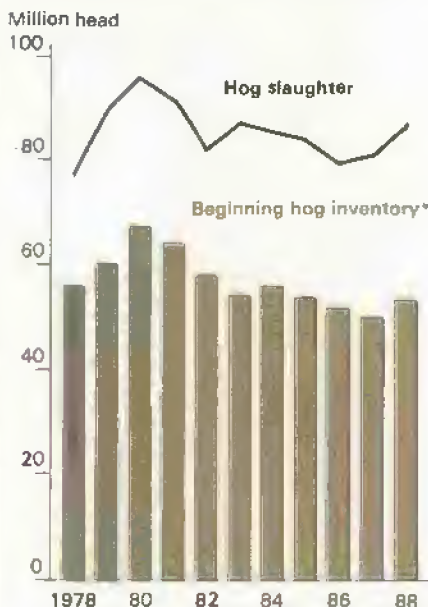
Producers reported intentions to farrow 4.5 million sows in December 1987-May 1988 in the 10 States, and 5.8 million in the United States. These intentions are up 6 percent and 5 percent, respectively, from a year earlier.

For March-May, farrowing intentions in the 10 States show a year-to-year increase of only 2 percent. These sows were bred from November 1987 through January 1988. The survey was conducted during the first 2 weeks in December, when hog prices were approaching breakeven. The drop in farrowing intentions for this spring reflects the deteriorating market conditions in the fourth quarter of last year.

If these intentions are carried out, the production response to declining profitability will have occurred more quickly than in the past. Operators may be more sensitive to overproduction, and less willing to finance major expansion with borrowed funds.

With only modest returns expected in 1988, the growth in hog inventories likely will slow further. Unless feed costs show a surprising increase, though, it is unlikely that returns will drop low enough to stimulate significant liquidation of breeding animals before the end of the year.

Hog Industry Expanding Cautiously



*December 1 of previous year. 1988 forecast

Hog Cycle May Become More Stable

Long-term trends in the structure and performance of U.S. pork production may result in a more stable hog inventory than in past years. Since the most recent low in the hog cycle, in June 1986, the U.S. breeding herd inventory has risen 10 percent. The December 1987 breeding herd of 7.02 million head compares with the previous low of 7.41 million in June 1982.

At the same time, the inventory of market hogs is larger, 46.8 million head versus 44.8 million in 1982. The number of pigs saved per litter has increased about 5 percent since 1982, and market hogs are generally both leaner and heavier. Thus, the amount of lean pork produced per sow is increasing.

In addition, hog production is becoming concentrated among fewer and larger producers. Therefore, a given change in pork production is more likely to stem from variations in the size of existing operations than from changes in the total number of operations.

These structural shifts could eventually lead to smaller, shorter term adjustments in hog inventories, and a less volatile hog cycle than in years past. More extreme swings in profitability would be needed to stimulate construction of additional facilities, or the idling of large-scale operations.

Pork Production To Increase

In 1988, commercial pork production may be 6 to 8 percent higher than in 1987 (last year's production rose 2 percent over 1986). The largest increases are expected to occur in the second and third quarters. If producers follow their December 1 farrowing intentions for March-May, fourth-quarter hog slaughter may be about the same as a year earlier.

In fourth-quarter 1987, cold storage stocks rose fairly rapidly. They increased by 94 million pounds, compared with only 11 million pounds a year earlier. Frozen bellies accounted for about half the accumulation. If freezer stock accumulation continues at this pace, frozen supplies, particularly bellies, may become excessive by third-quarter 1988.

Hog Prices Will Remain Weak

The average price of barrows and gilts in 1988 is likely to be substantially lower than 1987's \$52 per cwt. A further gain in per capita poultry supplies is expected, but it may be offset by declining beef supplies. Per capita pork supplies will be larger, because of increases in production, freezer stocks, and imports. Most of the increase in imports is expected from Canada and Denmark.

Canada continues to expand production and has low transportation costs to U.S. markets. The EC has increased export restitutions, which partially offsets the higher value of the Danish krone. Export restitution compensates EC pork producers for feed costs which are higher because of the Common Agricultural Policy. When the restitution equals the cost increase, pork producers do not receive a net subsidy, but pork is priced more competitively in world markets.

Quarterly hog prices are likely to exhibit a fairly stable pattern in 1988, with averages staying in the low to high \$40's per cwt. For the year, barrows and gilts may average in the low to middle \$40's.

Per capita pork supplies this year could be up 7 to 9 percent from 1987, with the largest year-to-year increase occurring in the third quarter. The highest prices of the year usually are late in the second quarter, with lows in October-December.

Retail Prices To Decline

After a 16-percent increase from 1985 to 1987, retail pork prices in 1988 are expected to decline 5 to 7 percent. Last year, after reaching a record high in the third quarter, retail prices declined only 3 percent in the fourth, despite large supplies of both pork and poultry. Per capita pork consumption rose 9 percent in the fourth quarter from a year earlier, while competing broiler and turkey consumption rose 7 and 13 percent, respectively.

From the third quarter to the fourth, farm value dropped 26 percent to about 70 cents a pound, while the farm-retail spread rose 19 percent. For all of 1988, the farm value is expected to average about the same as in fourth-quarter 1987, but the spread is expected to narrow, allowing a decline in retail prices. Without the expected growth in per capita income, retail pork prices would slip even lower.

Farm-to-retail spreads averaged around \$1.06 a pound in 1987, up 10 cents from 1986. With the recent rates of inflation, the spread is expected to decline from its fourth-quarter 1987 high and average perhaps 3 to 4 percent above 1987 for the year. [Kevin Bost (202) 786-1767]

Produce Trade & The U.S.-Canada Agreement

How will the impending Free Trade Agreement (FTA) between the U.S. and Canada affect the U.S. fruit, vegetable, and nut industries? The answer depends on how successfully the current trade barriers are broken down and what proportion of a commodity enters U.S.-Canadian trade.

The agreement was signed by the President on January 2. It still must be approved by Congress, the Canadian Parliament, and Canada's provinces. It would eliminate all tariffs and some nontariff barriers between the United States and Canada by 2000.

Fruit and vegetables represent a major part of the agricultural trade between the United States and Canada. Horticultural products comprise about 48 percent of total Canadian agricultural imports from the United States, and about 18 percent of total U.S. agricultural imports from Canada.

In 1986, Canada imported about \$2 billion worth of horticultural products; about 57 percent of this originated in the United States. The same year, the United States imported \$363 million worth of fruit and vegetables from Canada. For the year, the U.S. had a trade surplus with Canada of about \$777 million in horticultural commodities.

Canadian horticultural imports from the United States are five times the value of U.S. horticultural imports from Canada because of climatic differences. In 1986, fresh fruit and vegetables accounted for 71 percent of the total \$1.14 billion of Canadian horticultural imports from the United States.

FTA Would Open Border, Coordinate Standards

The general provisions of the FTA include the following:

1. Gradual elimination of all tariffs over a 10-year period beginning January 1, 1989.
2. An open border with respect to trade in agricultural and certain related goods. This includes working toward equivalent or harmonized technical regulations, accreditation for inspection systems and inspectors, training for testing and inspection personnel, and requirements for approval of new goods and processes.
3. Communication as changes are made in regulations and standards affecting trade.

For fresh fruit and vegetables, the FTA has special provisions on temporary duties and transshipments.

Temporary duty.—Both countries will reserve the right, for 20 years, to apply a temporary duty on designated fresh fruit and vegetables. In the importing country, if the import price of the particular fruit or vegetable falls below 90 percent of the past 5-year average for 5 consecutive working days, and area planted domestically is not above the average of the past 5 years (omitting the highest and lowest years for either qualification), then the Government may impose a temporary duty.

The duty applied under this provision cannot cause the total duty on the product to exceed the lesser of the most favored nation tariff rate (i.e.,

the rate for third countries) at the time the FTA was agreed upon, or the current most favored rate. The temporary duty may be applied for up to 180 days, one time only in any one year. The temporary duty will be removed immediately once the import price exceeds 90 percent of the 5-year average for 5 consecutive working days.

Transshipments.—The problem of transshipment of horticultural products from a third country through Canada into the United States to take advantage of the reduced FTA tariffs is addressed by the "rules of origin." Commodities from a third country must be substantially transformed before they can be re-exported under the reduced tariffs granted to the FTA partner. For example, adding water to a product is not considered a substantial change.

Wine provisions.—The agreement's provisions affecting U.S. wine exports to Canada cover listing, distribution, and the price markup. Now, sales lists from provincial liquor control boards feature relatively few U.S. wines. Markups on U.S. wine are generally higher than actual market service costs incurred.

Listing of wines will become non-discriminatory and market-oriented. The liquor control board in each province must apply the same listing regulations for U.S. wines as for Canadian wines, and must ensure that listing information is available to all. Listed U.S. wines will have improved access to the distribution and marketing system in Canada.

The discriminatory markup system will be phased out so that U.S. producers will compete on an equal footing in Canadian markets. This may further open the door to U.S. quality bottled wine. However, less than 1 percent of total U.S. wine production went to Canada in 1986.

U.S. Grapes, Oranges, Lettuce Will Be Affected

The major Canadian imports from the United States are fresh grapes, oranges, lettuce, and tomatoes. Most of the commodities entering Canada are currently subject to import duties; however, some enter duty free. FTA nontariff provisions, such as working toward the harmonization of technical and regulatory requirements, likely will increase the volume of trade, and

Major Canadian Horticultural Imports From the United States, 1986 1/

| Product | Value | Share of U.S. production exported to Canada 2/ | Canadian duty 3/ | Season 4/ |
|-----------------------------|--------------|---|---------------------------------------|-----------|
| | U.S. \$1,000 | Percent | Can. \$ | Weeks |
| Grapes, fresh | 90,018 | 18 | 2.21¢/kg | 15 |
| Oranges, fresh | 87,717 | 11 | Free | |
| Lettuce, fresh | 77,393 | 9 | 2.76¢/kg BNLT 15% | 16 |
| Tomatoes, fresh | 73,984 | 9 | 5.51¢/kg BNLT 15% | 32 |
| Orange juice, frozen concn. | 42,805 | NA | Free to 3% | 52 |
| Trees, plants, nursery | 37,107 | NA | | |
| Apples, fresh | 29,467 | 3 | Free | |
| Celery, fresh | 28,662 | 11 | 4.41¢/kg BNLT 15% | 18 |
| Potatoes, fresh | 27,460 | 2 | 0.77¢/kg | 52 |
| Grapefruit, fresh | 26,020 | 8 | Free | |
| Strawberries | 24,666 | 6 | 6.61¢/kg BNLT 10% | 52 |
| Peppers, fresh | 23,805 | 16* | 5.51¢/kg BNLT 10% | 16 |
| Broccoli, fresh | 23,093 | 10 | 5.51¢/kg BNLT 10% | 16 |
| Cantaloupes | 22,000 | 8* | Free | |
| Plums, fresh | 21,970 | 14* | 3.31¢/kg BNLT 12.5% | 12 |
| Cauliflower, fresh | 20,817 | 10 | 2.21¢/kg plus 5% | 46 |
| Almonds | 19,903 | 5 | Free | |
| Onions, fresh | 19,827 | 3 | 6.61¢/kg BNLT 15% | 32 |
| Nectarines, fresh | 19,176 | 14 | Free | |
| Melons | 15,217 | 4* | Free | |
| Carrots, fresh | 14,838 | 6 | 1.1¢/kg BNLT 5% | 40 |
| Pears, fresh | 14,730 | 7 | 3.31¢/kg BNLT 12.5% | 24 |
| Peaches, fresh | 12,444 | 4 | 6.61¢/kg BNLT 12.5% | 1¢ |
| Raisins, dried | 12,429 | 3 | Free | |
| Pecans, shelled | 11,331 | 7 | Free | |
| Cucumbers, fresh | 9,611 | 11* | 4.96¢/kg BNLT 15% | 30 |
| Lemons, fresh | 9,485 | 5 | Free | |
| Beans, green | 8,860 | 18* | 4.41¢/kg BNLT 10% | 14 |
| Asparagus, fresh | 7,328 | 5 | 12.13¢/kg BNLT 15% | 8 |
| Dried prunes & plums | 7,147 | 9 | Free | |
| Cherries, fresh | 7,092 | 8 | 8.82¢/kg BNLT 12.5% | 10 |
| Cabbage, fresh | 6,575 | 5* | 2.76¢/kg BNLT 15% | 34 |
| Corn, fresh | 6,450 | 3 | 3.31¢/kg BNLT 15% | 12 |
| Blueberries, fresh | 6,060 | NA | Free | |
| Spinach, fresh | 5,931 | NA | Free | |
| Radishes | 4,980 | NA | 2.21¢/kg BNLT 10% | 26 |
| Mushrooms, fresh | 4,247 | 1 | 9.92¢/kg BNLT 10% | 52 |
| Cranberries, fresh | 4,105 | 25 | Free | |
| Pineapples, fresh | 3,907 | 7 | Free | |
| Sweetpotatoes | 3,205 | 5 | Free | |
| Peas, green | 2,677 | NA | 4.41¢/kg BNLT 10% | 12 |
| Brussel sprouts | 2,607 | NA | 6.61¢/kg BNLT 12.5% | 20 |
| Artichokes | 1,788 | 7 | Free | |
| Apricots, fresh | 1,696 | 13* | 5.51¢/kg BNLT 12.5% | 10 |
| Wine | 7,404 | 1 | 4.4¢/liter (13.7% alcohol or less) | |
| Subtotal | 908,034 | | | |
| Others not listed | 233,699 | | | |
| Total Canadian imports | 1,141,733 | | | |

1/ Source: Canadian Import Statistics and Canadian Tariff Schedule. 2/ NA = not available. Numbers with asterisk are based on total U.S. fresh shipments rather than production because production utilized fresh is not available for these products. This overstates the proportion of U.S. production exported to Canada because not all production is reported in shipment data. 3/ BNLT = but not less than. Ad valorem Percent based on FOB value. 4/ Imported during such period specified by the minister or deputy minister, not exceeding the specified number of weeks in any 12-month period ending 31st of March.

Major U.S. Horticultural Imports From Canada in 1986

| Product (fresh or frozen) | value | Imports from Canada as share of total U.S. production | | U.S. duty |
|------------------------------|---------|---|---------|---|
| | | U.S. \$1,000 | Percent | |
| Potatoes | 33,511 | | 1.0 | 35¢/cwt. fresh |
| Apples | 18,280 | | 2.2 | Free |
| Carrots | 12,352 | | 4.4 | 1¢/lb. under 4 in. long; 0.5¢/lb. other sizes |
| Orange juice, frozen | 5,173 | | NA | 20¢/gal. any time |
| Onions | 2,992 | | 1.2 | 1.75¢/lb. any time |
| Cucumbers | 2,130 | | 0.9 | 2.2¢/lb. Dec. 1 to Feb. 28; 3¢/lb. Mar. 1 to Nov. 30 |
| Grapes | 1,698 | | 1.0 | 4¢/cu. ft. Feb. 15 to Mar. 15; Free Apr. 1 to June 30; 6¢/cu. ft. any other time |
| Peas | 1,682 | | NA | Fresh 0.5¢/lb. July 1 to Sept. 30; frozen 0.8¢/lb. |
| Tomatoes | 1,298 | | 0.1 | 2.1¢/lb. Mar. 1 to July 14 or Sept. 1 to Nov. 14; 1.5¢/lb. any other time |
| Strawberries | 497 | | 0.1 | 0.2¢/lb. June 15 to Sept. 15; 0.75¢/lb. any other time |
| Peppers | 394 | | 0.2 | 2.5¢/lb. any time |
| Beans, green | 333 | | 0.1 | 3.5¢/lb. any time |
| Asparagus | 67 | | 2.2 | 5% <i>ad valorem</i> Sept. 15 to Nov. 15 (by air); 25% <i>ad valorem</i> Sept. 15 to Nov. 15 (not by air); free any other time |
| Wine | 969 | | 0.3 | 4.4¢/liter for less than 13.7% alcohol |
| Subtotal | 81,376 | | -- | |
| Others not listed | 281,624 | | -- | |
| Total U.S. imports | 363,000 | | -- | |

NA = not available.

Source: U.S. International Trade Commission, *Tariff Schedules of the United States Annotated* (1987), publication 1910.

U.S. grower prices on some products could increase as more domestic supplies are exported.

In 1986, the U.S. shipped Canada 10 percent or more of its fresh grapes, lettuce, celery, broccoli, plums, cauliflower, nectarines, cucumbers, green beans, cranberries, and apricots. Exports of most fresh commodities exceeded 5 percent of U.S. fresh production. The commodities that are now subject to Canada's 10- to 15-percent *ad valorem* import tariff would especially benefit from the FTA.

U.S. Buys Canadian Apples, Carrots, and Potatoes

By lifting tariffs, the FTA would expose some U.S. producers to greater competition from Canada. The major U.S. imports of horticultural products from Canada in 1986 were fresh apples and fresh or frozen carrots and potatoes.

Imports from Canada exceeded 4 percent of U.S. carrot production and 2 percent of U.S. apple output in 1986.

But, imports of potatoes from Canada were less than 1 percent of total U.S. potato output. Most other imports were also less than 1 percent of U.S. production. Except for fresh apples, duties are charged for commodities imported from Canada.

Generally, the FTA would benefit the U.S. fruit, vegetable, and nut industries. Allowing free competition for fruit, vegetables, and nuts would expand trade in horticultural products between the two countries. [Boyd M. Buxton (202) 786-1885 and Leslie Berger (202) 382-8899]

Soviets Buy U.S. Soymeal To Cut Protein Deficit

Renewed emphasis on improving the Soviet consumer's diet probably contributed to the USSR's near-record imports of protein feed in 1987. Large imports are also likely in 1988. The emphasis on meat consumption appar-

ently overshadowed the USSR's hard currency constraint and competing needs for Western capital goods.

Several other factors may be helping the U.S. share of the expanding Soviet market, including the improved political relations between the countries and a lower valued dollar. Also, the Soviets have determined that they can best handle shipments that are spread throughout the year. U.S. protein feed is available year-round, unlike that from South America.

Feed Protein Shortage Persists

The Soviets want to make substantially more livestock products available quickly to encourage workers to commit themselves to the Gorbachev economic reforms, and also to provide a clear sign of the reforms' success. Soviet per capita meat consumption is only about half of U.S.

Hampering the livestock sector is its chronic protein shortage in animal feeds, a shortfall of around 10 million

Soviet Livestock Production

| | 1971-75 average | 1976-80 average | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987* |
|----------------------|--------------------|--------------------|--------|--------|--------|--------|--------|---------|---------|
| Thousand tons | | | | | | | | | |
| Meat, slaughter wgt. | 14,004 | 14,843 | 15,199 | 15,368 | 16,449 | 16,985 | 17,131 | 18,057 | 18,600 |
| Milk | 87,446 | 92,662 | 88,874 | 91,044 | 96,463 | 97,906 | 98,608 | 102,173 | 103,400 |
| Million eggs | | | | | | | | | |
| Eggs, million | 51,427 | 63,133 | 70,855 | 72,409 | 75,110 | 76,482 | 77,255 | 80,746 | 82,100 |

*USSR 1987 Plan Fulfillment Report (preliminary data).

Soviet Oilseed Area, Yield, & Production

| | 1976-80 average | 1981-85 average | 1985 | 1986 | 1987 1/ | 1987 plan 2/ | 1990 plan |
|---|--------------------|--------------------|-------|-------|------------|-----------------|--------------|
| Sunflower- seed area (mil. hectares) | 4.471 | 4.142 | 4.053 | 3.941 | 4.100 | | |
| Yield (tons/hectare) | 1.19 | 1.20 | 1.29 | 1.34 | 1.49 | | |
| Production (mil. metric tons) | 5.309 | 4.969 | 5.234 | 5.280 | 6.100 | 6.100 | 7.400 |
| Rapeseed area (mil. hectares) | .015 | .107 | .123 | .161 | .600 | | |
| Yield (tons/hectare) | .93 | .81 | .60 | .89 | .67 | | |
| Production (mil. metric tons) | .014 | .055 | .074 | .144 | .400 | .690 | 1.500 |
| Soybean area (mil. hectares) | .811 | .818 | .738 | .741 | .775 | | |
| Yield (tons/hectare) | .65 | .61 | .62 | .79 | .80 | | |
| Production (mil. metric tons) | .529 | .503 | .458 | .589 | .620 | .814 | 1.000 |

1/ USDA February forecast. 2/ *Maslichnye kultury*, #3, 1987.

Source: *Vestnik statistiki*, various issues.

tons in soybean meal equivalent, according to the Soviets. Partly because of the shortage, Soviet animals produce one-half to one-third less meat per head than those in Western Europe and the United States.

Western and Soviet analysts concur that improving animal rations—including raising the protein content—will raise productivity, improve feeding efficiency (including that for the large quantities of imported grain), and increase animal product output. More protein in the ration is one reason for the improvement in the livestock sector's performance. The Soviets had record livestock production in 1986 and 1987.

The Soviets announced plans in the early 1980's to overcome the protein shortage by 1990. Those unfulfilled

plans called for significantly greater production of high-protein feeds—including oilseeds, pulses, and single-cell proteins—and a shift in roughage from grasses to alfalfa and clovers. Total Soviet oilseed production has been between 10.3 and 11.1 million tons in recent years and consists primarily of sunflowerseed and cottonseed, and to a lesser extent flaxseed and rapeseed.

In the 1980's, production of sunflowerseed, the major oilseed, has averaged below the 1976-80 level of 5.3 million tons, consistently failing to meet plan goals. Although attempts to increase soybean and rapeseed production finally showed modest success in 1987, the crops accounted for less than 1 million tons and continued to fall well

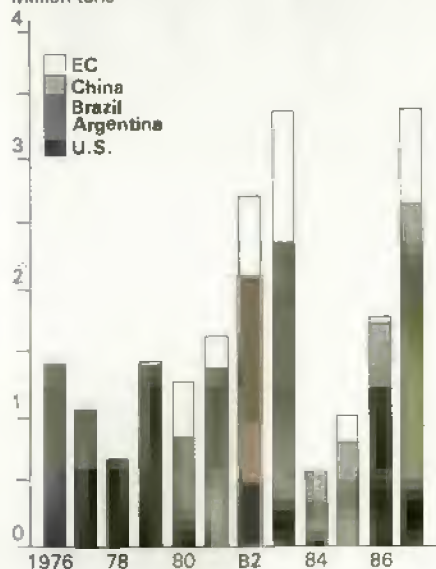
below goal. Even so, livestock inventories have increased about 10 percent from the 1976-80 annual averages, supported by imported protein and grain feeds.

United States Benefits

The Soviets began large imports of protein feeds, mainly soybeans and soybean meal, in the second half of the 1970's. After a sharp and inexplicable drop in 1984, they resumed imports in 1985. In meal equivalent, 1987 imports almost matched 1983's record 3.4 million tons. This was despite the hard currency constraint

USSR Turns Again to Imports For Soybeans and Meal

Million tons*

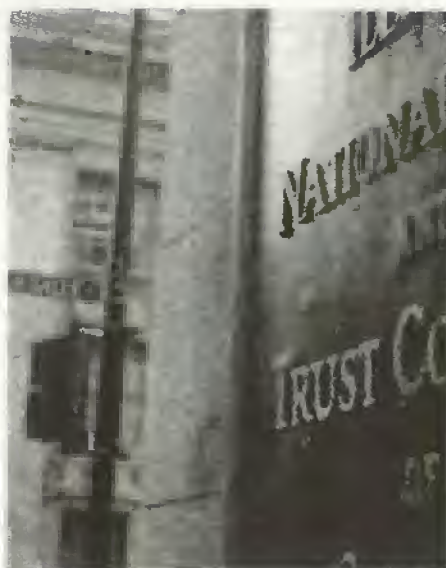


*Soybean meal equivalents. 1987 estimated.

that developed in 1986; the constraint keeps total Soviet imports of all goods from the West below the 1981-85 average of \$19 billion.

The Soviets could buy protein feeds from U.S. competitors. Supplies of other exporters are apparently adequate to meet the likely increase in Soviet imports this year. The soybean crops in Brazil and Argentina are expected to be a record in 1988, and China's 1987 crop was also good. Furthermore, EC soybean stocks available for crush are large. The Soviets, however, have turned to the U.S. market.

In November 1987, the USSR purchased a record 1.3 million tons of U.S. soybean meal and 800,000 tons of U.S. soybeans, primarily for shipment this calendar year. The U.S., which had not sold soybean meal to the Soviet Union since 1979, increased its share of the Soviet soybean meal market to nearly 15 percent in 1987 and may account for about 50 percent in 1988. [Kathryn Zeimet and Christian Foster (202) 786-1620]



General Economy

Real consumer and Government spending slowed in 1987, but inflation-adjusted exports surged and business plant and equipment spending recovered from 1986's decline. As a result, real GNP growth matched the 2.9-percent rate of 1986 and the expansion pushed into its sixth year.

The slowing rate of consumer spending—1.8 percent in 1987, compared with 4.2 in 1986—and a run-up in inventories in the fourth quarter led some analysts to forecast a recession in early 1988. In the near term, whether or not a recession comes depends largely on whether exports, which grew 12.8 percent in 1987, can continue to offset expected weakness in consumer spending. Over the longer term, slowing consumer and Government spending should help reduce both the net export and Federal budget deficits.

Production and Employment Gained in 1987

Surging exports and rising investment spurred industrial production, which grew over 5 percent during 1987, in contrast to an anemic 0.9 percent in 1986. Capacity utilization rose 2 percentage points, reaching 82.1, the highest since 1980.

As capacity utilization rises, so does the incentive to invest in new plants and machinery to meet rising demand, and investment spending rises even

more. This sequence is likely during 1988. A survey of investment plans for 1988, conducted by the Bureau of Economic Analysis, indicated an increase of more than 7 percent; if realized, this gain would be the fastest investment growth since 1984.

Employment in goods-producing industries rose in response to the increase in demand for export and investment goods. Compared with a 178,000-job loss in 1986, last year saw payrolls in goods-producing industries increase by 204,000 jobs, a 0.8-percent gain.

Service job growth matched its 3.1-percent rate of 1986. Job growth made the civilian unemployment rate slip 0.8 percentage points during 1987, reaching 5.8 percent by yearend, the lowest rate since 1979. Overall job growth (civilian and military) was 2.6 percent in 1987, slightly ahead of 1986's 2.2 percent.

Income Growth Slows

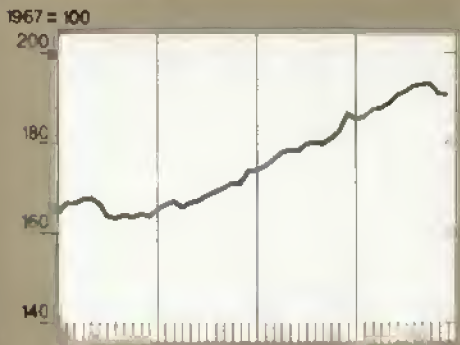
Despite faster employment growth, which tends to accelerate personal income growth, personal income grew more slowly in 1987 than in 1986 (6.0 compared with 6.2 percent). Total wages and salaries are closely related to job growth and account for nearly 60 percent of personal income; they grew faster in 1987 than in 1986 (5.9 percent compared with 5.8).

But, other components of personal income grew more slowly. Government transfer payments, which accounted for 14 percent of personal income in 1987, grew only 4.8 percent, compared with 5.8 in 1986. Falling interest rates over the last 2 years contributed to slowing interest income growth (3.7 percent in 1987, compared with 4.4 in 1986). Interest income accounted for 13.8 percent of total personal income in 1987.

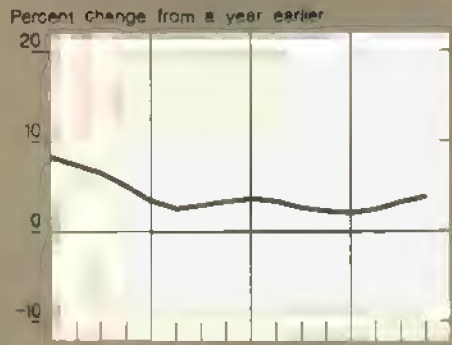
While the slowdown in personal income growth was small in nominal terms, it was dramatic after adjustment for inflation. Real disposable personal income grew only 1.2 percent in 1987, compared with about 4 percent in 1986. Higher inflation in 1987 resulted mainly from a rebound in energy prices and rising import prices. The overall CPI rose 4.2 percent, compared with 1.9 in 1986.

General Economic Indicators

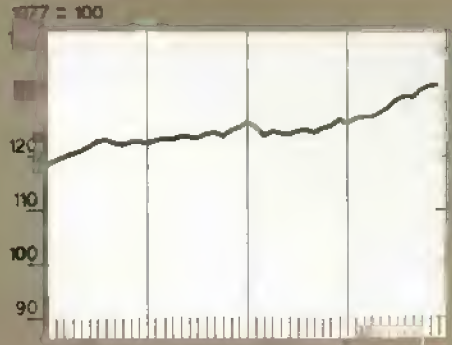
Composite leading economic indicators



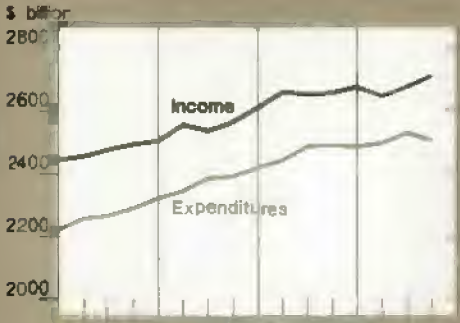
Gross national product¹



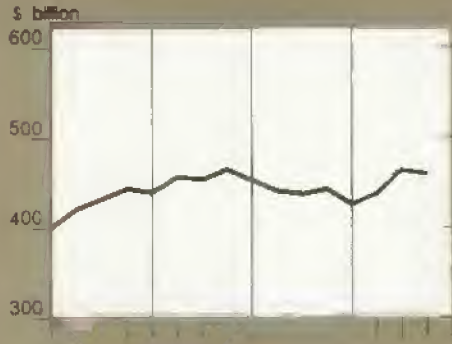
Industrial production



Disposable income and consumption expenditures²



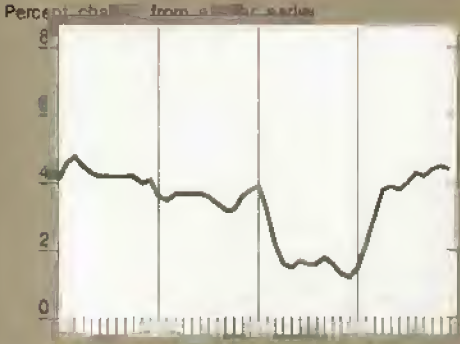
Nonresidential fixed investment²



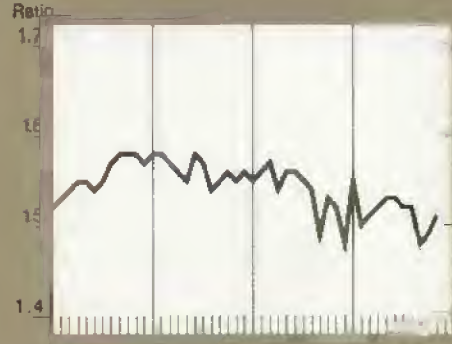
Manufacturers' durable goods orders³



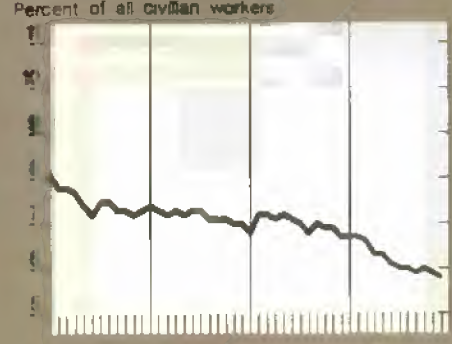
Consumer price index



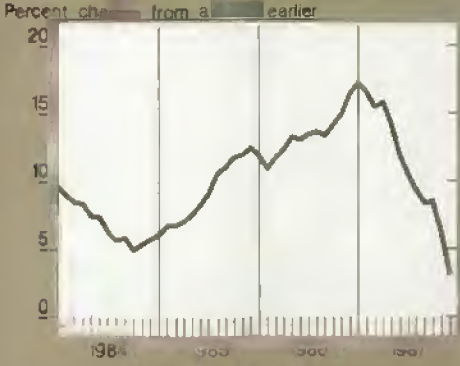
Inventory/sales⁴



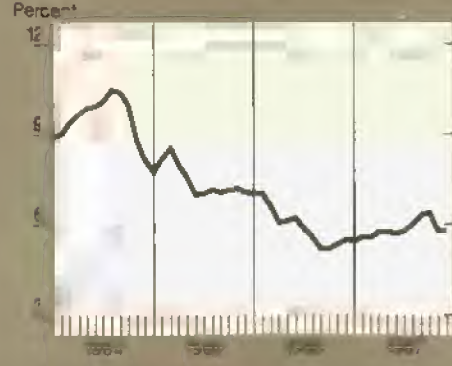
Unemployment rate⁵



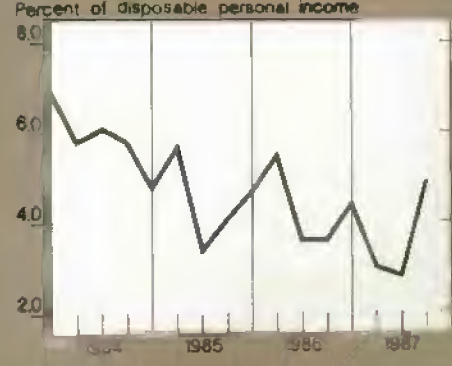
Money supply (M1)



3-month Treasury bill rate



Savings rate⁶



¹Percent change from a year earlier in 1982 dollars. Seasonally adjusted annual rates. ²Billions of 1982 dollars, seasonally adjusted at annual rates.
³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted, based on 1982 dollar. ⁵Seasonally adjusted.
⁶Calculated from disposition of personal income in 1982 dollars, seasonally adjusted at annual rates.
Sources: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

Consumer prices for energy jumped 8.2 percent, compared with a 19.7-percent decline in 1986. The jump was mainly the result of crude oil price increases. In July 1986, the domestic well-head price of crude oil was \$9 per barrel; by July 1987, it was \$17, an 89-percent increase.

Import prices rose appreciably faster in 1987 than in 1986, indicating that the dollar's fall had finally begun affecting prices. By the fourth quarter, import prices were almost 9 percent higher than a year earlier, compared with a 2.7-percent decrease from fourth-quarter 1986 to fourth-quarter 1986.

A depreciating dollar puts upward pressure on import prices because more dollars are required to buy the foreign currency needed to purchase foreign goods. There can be some lag between the time the dollar begins falling and the time import prices begin rising. The dollar reached a peak against most other currencies in February 1985 and has slipped almost continuously since; import prices began rising quickly about 18 months later.

Interest rates stopped their nearly 3-year descent in 1987. Three-month Treasury bill rates reached a monthly average low of 5.2 percent in October 1986 and rose slowly but steadily through most of 1987. Other rates mirrored the 3-month Treasury rate. By October 1987, just before the record stock price decline, the 3-month rate reached nearly 7 percent. Longer term rates rose more than shorter rates, suggesting that investors were worried about longer term inflation.

The rising trend in interest rates was broken after October's stock price collapse, when the Federal Reserve Board increased the reserves of the banking system in order to stop a general financial panic. Interest rates promptly fell by about a percentage point, finishing the year only slightly above where they began.

Outlook Is Unclear

The outlook for the next 18 months is murky, partly because the economy will continue the transition begun in 1987 and partly because it is difficult to assess the effects of the unprecedented stock price decline.

Fourth-quarter statistics indicated a rise in business inventories, which could mean slower production growth in 1988. Slower production would slow employment, reducing personal income growth and further reducing consumer demand. On the other hand, export industries continue to enjoy rising orders and high rates of capacity utilization, which suggests future hiring and more investment spending.

Predicting which of these offsetting forces will predominate, and over what period, is the nub of the difficulty. Policy actions can decide the issue. For example, an easier monetary policy over the next 6 months would allow interest rates to fall, propping up spending on housing, consumer durables, and business investments. Under this scenario, real GNP would likely grow 2 to 3 percent, with inflation rising between 3.5 and 4.5 percent.

The Federal Reserve may change its policy based on changes in the value of the dollar. If the dollar declines quickly, the Fed may try to stem the decline in order to hold down inflation. One way to do this is to tighten the money supply to drive up interest rates—thus making U.S. financial assets more appealing to foreigners and increasing the demand for dollars. However, the rising interest rates likely would raise costs of production and hurt real growth and employment.

Because agriculture is export dependent, it is likely to benefit more than other sectors of the economy from a scenario of slightly lower interest rates and higher export demand. Inflation-adjusted exports of food, feed, and beverages grew more than 30 percent in 1987, while real merchandise exports in total rose 17.5 percent.

Even with some softness in domestic demand, the farm sector could find itself facing higher overall demand, slightly falling or stable interest rates, and moderate increases in input prices. The most likely outlook is for the general economic factors to provide modest support for the farm sector in 1988. *[Ralph Monaco (202) 786-1784]*



Resources

FARMLAND VALUES STRENGTHEN

The land market strengthened during August-October 1987 from the quarter before. A national survey supports the many State and regional surveys showing increasing land values. Based on these surveys and others soon to be available, average national land values in 1987 likely increased for the first time since 1982. Strongest gains probably occurred in the North Central and Northeast regions.

The national results for the August-October quarter came from a survey of rural farm appraisers conducted in early November by the University of Wisconsin for the Economic Research Service. Over one-third of the respondents indicated that land values rose during the August-October quarter, while over one-half considered values unchanged. Less than a tenth indicated lower values.

The responses point to a strengthening of the market from May-July, when only 28 percent thought values had gone up and nearly 18 percent thought they had dropped. Sales activity during August-October was comparable to that reported for the preceding 3 months.

Appraisers expected movements in land values during November-January to be similar to those for August-October, and they were generally optimistic that land values also would

improve during 1988. Nearly 65 percent expected values to increase during the 12 months beginning November 1, while only 16 percent anticipated lower values. Three months earlier, about 55 percent had expected higher values in the upcoming year and 17 percent had expected lower.

Regional Indicators Mixed

The greatest market strength for the August-October quarter was in the Northeast, where increasing values over the preceding 5 years ran counter to the national trend. The North Central land markets also turned up; nearly all respondents indicated stable or increasing land values. Land markets in the South and West did not strongly indicate a turnaround.

Rural appraisers' expectations for November-January closely followed their reports of changes in the preceding quarter. Appraisers in the Northeast expected continued increases in values. Those in the North Central and the West were somewhat less optimistic. About 44 percent of the North Central respondents thought values rose during August-October while only 35 percent expected values to increase during November-January. Respective estimates for the West were 16 and 10 percent.

Appraisers in the South expected somewhat lower values. Nearly 12 percent thought values were lower during August-October and about 22 percent expected values to be down during November-January. About 14 percent indicated value increases for both periods.

Federal Reserve Bank Surveys Support Quarterly Changes

Third-quarter surveys by several Federal Reserve banks tend to support the national survey. The Federal Reserve Bank of Chicago, representing Iowa and parts of Illinois, Indiana, Wisconsin, and Michigan, reported that values for good farmland increased just over 3 percent during the third quarter, compared with a 2-percent gain in the preceding quarter.

Nearly three-fourths of the Chicago respondents described the current trend in farmland values as stable, 24 percent thought the trend was upward, and only 2 percent reported downward movement. A survey conducted by the University of Illinois on Corn Belt land values showed increases for above-

Rural Appraisers' Survey of Agricultural Land Values, November, 1987*

Percent of respondents reporting that value during Aug. 1-Oct. 31, 1987, relative to quarter before, had:

| Increased | Not changed | Decreased |
|-----------|-------------|-----------|
| 37 | 54 | 9 |

Percent of respondents expecting values during Nov. 1, 1987-Jan. 31, 1988 to:

| Increase | Stay the same | Decrease |
|----------|---------------|----------|
| 34 | 57 | 9 |

Percent of respondents expecting values during Nov. 1987-Nov. 1988 to:

| Increase | Stay the same | Decrease |
|----------|---------------|----------|
| 63 | 21 | 16 |

*Rural appraisers surveyed were members of the American Society of Farm Managers and Rural Appraisers. More than 500 appraisers participated in the survey.

average-quality land for the year ending October 1. Strongest gains were in Iowa. Respondents in all States served by the Chicago bank expected higher values in the upcoming 12 months.

Agricultural bankers in the Minneapolis district (Montana, the Dakotas, Minnesota, and northern Wisconsin) indicated no third-quarter increase from the 1.5-percent gain in nonirrigated land values that had occurred in the preceding quarter.

Values for nonirrigated land in the Kansas City district (Kansas, Nebraska, Wyoming, Colorado, Oklahoma, northern New Mexico, and western Missouri) were nearly 2 percent higher in the third quarter, about the same increase as in the second quarter. Third-quarter changes in the Kansas City district ranged from a 4-percent reduction in Missouri to a 4.5-percent increase in Oklahoma.

The Federal Reserve Bank of Dallas, which includes Texas, southern New Mexico, and northern Louisiana, reported higher values for some portions of the district but lower values overall. Improved cotton prices probably strengthened land values in cotton-producing areas. District values for nonirrigated cropland were down just over 2 percent in the third quarter, a continuation of the 2-percent drop during the second quarter. Irrigated cropland values were down close to 2 percent, while ranchland values were nearly unchanged from the preceding quarter.

In an October 1987 survey by the University of Florida, third-quarter cropland values were reported lower in Florida, Alabama, and South Carolina. Values were higher in Georgia. Prices for improved permanent pasture were nearly unchanged in all States during the second and third quarters.

Some Uncertainties Remain for 1988

Farmland values in 1988 will be affected by several factors. On the upside, the demand for farm products is rising, particularly for exports, and more manageable stock levels of major crops may improve commodity prices. The Conservation Reserve Program seems to be strengthening prices for lower quality cropland in some areas. About 23 million acres had been enrolled in the program prior to February's signup.

However, farm income is forecast to be down from the 1987 record level. Government payments accounted for nearly 30 percent of net cash income in 1987. Target prices and loan rates for wheat and feed grains will be down about 3 percent in 1988. Current legislation calls for further reductions in 1989. Credit for buying land is available, but interest rates edged slightly upward in late 1987 and could go higher in 1988 if monetary policy is tightened to support the price of the dollar.

USDA estimates of February 1988 land values will be released in mid-April. [Roger Hexem (202) 786-1419]



Farm Finance

MORE THAN A FACELIFT FOR THE FCS

The Agricultural Credit Act of 1987 heralds substantial changes in the character of the Farm Credit System (FCS). While Federal assistance allows the FCS to operate in the short run, the help is not cheap. Changes include a reorganization of the system, additional rights for its borrowers, and additional measures to ensure the institution's future.

Act Sets Reorganization, Establishes "Farmer Mac"

Within the next 6 months, Federal Land Banks and Federal Intermediate Credit Banks must merge. Other mergers, between institutions and between districts, may soon follow, subject to voter approval. The Banks for Cooperatives must also decide whether to consolidate.

Regulatory responsibilities and powers of the Farm Credit Administration will expand along the lines of those already existing for other types of financial institutions. Newly created institutions will include an insurance corporation to insure debt obligations of the system. Separately, an assistance board is formed to administer the legislated bailout of the FCS and ensure that the parts of the system receiving aid take necessary steps to reduce costs.

Additionally, the new secondary market for agricultural real estate loans and certain rural housing loans will lead to the creation of a Federal Agricultural Mortgage Corporation (which has already been dubbed "Farmer Mac"), an autonomous institution within the FCS.

Reorganizing the FCS will reduce overhead cost as the number of FCS entities declines. Farmer Mac is expected to bring in additional income. However, there will be added costs associated with the new administrative entities. Overall, the changes should result in a more efficient implementation and delivery of loans.

Insurance Emphasized

In addition to other structural changes, the act provides for a shift in the method of assuring continued successful operation of the system. Insurance against operational failure is targeted to a number of areas. A fund internal to the FCS will be created to guarantee against default on system debt issuances.

The new act requires FCS institutions to build up equity in order to decrease interest rate exposure and stabilize net income. Banks will be able to charge loan origination fees and issue nonvoting, at-risk stock to raise the capital to meet FCA-determined standards. Borrowers will not be allowed to withdraw stock as their loans are repaid, and nonborrowers will be able to purchase nonvoting stock.

The new act addresses the rights of borrowers with respect to both the supply of credit and foreclosure on delinquent loans. Banks are required to restructure distressed loans if the cost of doing so is less than foreclosure. The FCS is required to notify borrowers of their right to have their loans restructured.

Fundamental Shifts May Occur In FCS's Character

How will these changes redefine the FCS market niche? Some of the effects:

- A more streamlined FCS will compete better in local loan markets.
- Decentralization places increased responsibility on district and association managers; however, if consolidation greatly reduces the

number of local FCS associations, the individual borrower/owner will have less influence.

- Expanded borrower rights may result in tighter credit standards.
- The secondary market may also encourage FCS lenders to take a closer look at the riskiness of loan applications processed, since only mortgages that pass certain standards will be eligible for pooling.

Will the new character of the FCS enhance its ability to cope with adverse conditions in the agricultural credit market? The FCS's current difficulties arose from the simultaneous occurrence of two detrimental events: the collapse in the farm economy, and FCS issuance of long-term bonds with high interest rates.

The FCS will likely be more capable of coping with a recurrence of the first of these problems as capital is rebuilt. If proportionately more income is generated from loan origination fees and the sale of noninsured stock, the adverse consequences of borrower default will be less of an issue.

The second problem—the negative effect of unanticipated changes in interest rates—may not be substantially reduced by FCS legislation. The new requirements call for a high level of capital that can easily be drawn on during downswings. The level of capital is probably not as important as the stability of capital (immunity from investor flight), since prior to the mid-1980's the system had developed a very large capital stock without legislated prompting.

Will the reorganization make more self-help possible? Under the old system, most channels for interbank help broke down. Capital preservation agreements, which specified the "joint and several liability" contracts behind system bonds, ceased functioning less than a year after they were activated. The Capital Corporation mandated by the Farm Credit Act of 1985 to promote interbank capital sharing was able to assess about \$300 million, but was able to collect only \$175 million. It actually dispensed only \$10 million.

Under previous legislation, sharing of capital among individual FCS institutions ran counter to the responsibility

that they had to their stockholders. The 1987 act permits a more flexible organizational structure while at the same time requiring continuous, rather than sporadic, shared financial responsibility. Triggering of capital assessment during particularly adverse market conditions is replaced with risk-based insurance for bondholders and ultimately for the Treasury. Existing borrower stock is guaranteed for 5 years.

The Agricultural Credit Act of 1987 provides FCS institutions with two new sources of funds. One is the secondary market. FCS institutions will earn additional fees by acting as poolers in the secondary market. The second source is the institutions' new ability to issue stock and charge fees for originating loans.

Reorganizing the system will decrease overhead costs. However, insurance premiums, repaying Federal assistance, and meeting capitalization standards will put added pressure on revenues. The net long-term effect of the legislated changes depends on the response of FCS managers and the performance of the farm sector.

In the short run, financial assistance offered by the legislated bailout loan (up to \$4 billion) will keep the FTC on its feet. An initial 5-year period during which the Treasury will pay the interest on the money borrowed, and a second, similar period during which the Treasury and the FCS will share interest payments, should provide enough leeway for the FCS to recover. *(Merritt Hughes (202) 786-1892)*

CREDIT LEGISLATION GOES BEYOND THE FCS

The cornerstone of the Agricultural Credit Act of 1987 is an extensive reorganization and financial assistance package for the troubled FCS. Yet there are other important, less publicized provisions.

These include the creation of two secondary markets for farm real estate loans, a package of rights and additional benefits for Farmers Home Administration (FmHA) borrowers, a new FmHA lending program, and Federal funding of State farm mediation programs. These provisions can help farmers, especially those who face foreclosure or who have lost their farms.

Secondary Market Lowers Lenders' Risk

The legislation establishes the Federal Agricultural Mortgage Corporation, or Farmer Mac, as part of the FCS. Farmer Mac will be responsible for establishing a secondary market for farm real estate loans and certain rural housing loans. A separate but parallel secondary market for FmHA-guaranteed farm debt is to be established and administered by the Secretary of Agriculture.

In a secondary market, loans are resold. First, lenders make loans to borrowers—the primary market. Then they sell the loans to investors—the secondary market. Farmer Mac will encourage some lenders (poolers) to purchase loans from other lenders (originators), and then issue securities based on the pooled income. All loans must meet Farmer Mac appraisal and underwriting standards to be eligible for pooling.

Most lenders, such as FCS institutions and life insurance companies, are eligible to be originators or poolers. Commercial banks may be originators, but are not allowed to issue securities and so are barred from being poolers.

Loan originators or poolers must retain a 10-percent interest in the pooled loans. Farmer Mac will guarantee the poolers against default on a loan beyond the first 10 percent of the principal, and will guarantee investors timely payment of principal and interest on the securities representing the loan pools. The legislation gives Farmer Mac the ability to borrow up to \$1.5 billion if necessary to provide these guarantees.

Farmers, investors, and lenders all stand to benefit from an efficient secondary market. Farm lenders—particularly those with limited supplies of funds, such as small rural banks—benefit from being able to make additional loans by selling existing ones.

Moreover, a secondary market may provide lenders with attractive origination and servicing fees, greater opportunities to diversify investments, and a hedge against interest rate changes. These advantages lower lenders' risks from future downturns in the farm economy.

The secondary farm mortgage market may heighten competition among farm lenders by attracting new lenders. On the other hand, some current lenders may decide to decrease their role in offering credit to farmers. For example, life insurance companies, which have been a major source of credit for farmers, may choose to purchase securities in the secondary market rather than make loans directly.

For farmers, the secondary market may yield greater access to funds at fixed, commercial rates. Over time, interest rates, loan terms, and lending standards may vary less among lenders and regions because the secondary market will help standardization. The cost of credit could fall as competition rises and as specialization increases the efficiency of loan administration and pricing.

Although the new secondary market is designed to help farmers, not all producers necessarily will benefit. Financially strapped farmers unable to meet required loan-underwriting standards likely will receive few direct benefits. Lenders may be reluctant to offer credit to these farmers, or may charge them higher interest rates.

The benefits from a secondary market will be governed by Farmer Mac's underwriting standards and by the volume of loans sold. Volume, in turn, will be affected by farm mortgage demand, which recently has been very weak. Since the FCS originates more than half of all new farm mortgages each year, its participation will be important in obtaining sufficient loan volume.

In comparison to housing mortgages, the volume of farm mortgages available for a secondary market is small. If loan underwriting standards are too strict, an insufficient volume of loans will qualify for pooling, preventing an efficient market from developing.

On the other hand, if the standards are lax, investor confidence in the securities will be low. Underwriting standards will be watched by investors because, unlike housing loans, farm mortgages are business loans to a single industry with cyclic changes in income. Thus, the risk of default is greater in the farm mortgage market than in the housing market.

By forcing strict underwriting standards on lenders, and by dispersing

Chapter 12's First Year

Chapter 12—the bankruptcy provision that allows farmers to restructure their debts under specially designed rules—has been in effect for slightly over a year. Some of its effect on farmers and their lenders is now apparent.

Bargaining Power Increases

The largest number of financially strapped farmers appear to benefit from Chapter 12 through the increased negotiation power they now have with their lenders, rather than through actually filing a case. With Chapter 12 looming, many lenders agree to debt writedowns and restructuring in out-of-court settlements with their farm debtors.

Even so, 5,741 farmers filed Chapter 12 bankruptcy cases during the first 10 months the provision was available. After a vigorous beginning, the number of farmers filing tapered off last summer. This may reflect an increasing willingness among lenders to negotiate, or it may be a seasonal decline. Regardless, Chapter 12 appears to be helping to forestall farm failures.

Tax Consequences Unclear

Confirmation by bankruptcy courts of farmers' debt reorganization plans has varied across the country. Some courts are confirming large numbers of these plans, while others are not. Differing legal interpretations by the courts explain much of this variation. Legal confusion over Chapter 12 rules and procedure abounds.

For farmers, the income tax consequences of discharging their debt, selling their assets, and several other facets of bankruptcy remain largely unsettled. Internal Revenue Service rulings and court decisions are still pending on many tax issues, making a reorganization plan more uncertain. Uncertainty stems from the inability

Chapter 12 Bankruptcy Filings

| Region | 3-month period ending | | | | |
|-----------------|-----------------------|---------|---------|---------|-------|
| | 12/32/86* | 3/31/87 | 6/31/87 | 9/31/87 | Total |
| Northeast | 9 | 31 | 35 | 12 | 87 |
| Lake States | 50 | 141 | 171 | 78 | 440 |
| Corn Belt | 103 | 477 | 447 | 159 | 1,186 |
| Northern Plains | 148 | 652 | 428 | 252 | 1,481 |
| Appalachian | 92 | 201 | 143 | 58 | 494 |
| Southeast | 47 | 126 | 119 | 30 | 322 |
| Delta States | 44 | 201 | 184 | 84 | 513 |
| Southern Plains | 41 | 148 | 80 | 96 | 365 |
| Mountain States | 42 | 202 | 204 | 84 | 532 |
| Pacific States | 24 | 128 | 93 | 76 | 321 |
| U.S. total | 600 | 2,307 | 1,905 | 929 | 5,741 |

*Chapter 12 was enacted November 26, 1986.

Source: U.S. Federal Court System.

of farmers to create a separate tax entity after a Chapter 12 filing. Under a regular bankruptcy filing, the bankrupt business becomes a separate, recognized tax entity with clearly defined tax liabilities.

Aside from the unresolved tax issues, the acid test of how much farmers benefit from Chapter 12 will occur when payments under the confirmed debt-restructuring plans come due. Scheduled payments of the earliest confirmed cases are just now coming due. Some farmers will be unable to make these payments, leading to court petitions for payment adjustments or forcing liquidation. If a high proportion of farmers are able to make restructured payments, Chapter 12 will have been a major benefit.

Lending Practices Change

Some lenders are reacting to Chapter 12 by tightening their standards for new loans, screening farmers more closely, and requiring more collateral. However, it is difficult to determine how much of the tightening is due to Chapter 12 and how much to the general deterioration of farm loan quality.

Some critics of Chapter 12 had feared that it would raise interest rates on all

farm loans and restrict credit supplied to farmers. There is little aggregate evidence supporting those fears. Lenders have remained active in farm lending, and competition for sound farm loans remains keen. However, some financially strapped farmers are facing higher interest charges or reduced credit availability.

Farmers benefiting the most from Chapter 12 appear to be those who borrowed heavily to purchase farmland at peak values. Principal writedown to collateral value on these unmanageable real estate loans has been substantial. For the most part, these writedowns accelerate lender losses that would occur if foreclosure were initiated. Nonetheless, lenders forced to write down loans lose any claim to future appreciation in farmland values if the land has been loan collateral.

As expected, unsecured creditors may fare poorly in the reorganization plans, with typical repayment of their loan principal running only 1 to 4 percent. In contrast, fees paid to lawyers and the required Chapter 12 trustee are often high, making a farmer's reorganization plan even more burdensome to the lending institution. [Steven R. Koenig (202) 786-1893]

loan default risk, a well used secondary market could help avert future financial difficulties for farm lenders.

State Mediation Programs Receive Federal Funding

To stem farm foreclosures, some States have instituted farm mediation programs. The Agricultural Credit Act encourages States to adopt such programs by providing up to \$500,000 a year in matching grants to qualifying programs. Under mediation, the debtor and creditors are required to participate in good-faith bargaining to resolve debt repayment problems.

Some States have reported success in bringing farmers and lenders together. Even so, the programs have been criticized. Some critics worry that mediation furthers debtors' questioning of their current and future obligations to their lenders. With farm financial stress now abating, States could be reluctant to establish such programs.

FmHA Changes Assist Farmers

Much of the new legislation covering the Farmers Home Administration assists the most financially strapped FmHA borrowers. A new package of borrower rights policies is designed to help them forestall foreclosure and continue to farm or maintain possession of their farm. Meeting this objective, however, could be costly to taxpayers.

The new law aims at recognizing and minimizing FmHA loan losses, yet allows borrowers to continue farming. Thus, it obligates FmHA to restructure delinquent loans by writing them down to the Government's net collateral value, whenever this is cheaper to the Government than foreclosure. This policy could force FmHA finally to recognize hefty loan losses.

FmHA's role in providing subsidized credit to the farm sector is strengthened by the legislation. It extends until 1993 the Interest Rate Buydown program, which helps alleviate interest rates on loans made by other lenders.

A 3-year joint program with the FCS enables qualifying farmers to purchase FCS-acquired farmland with

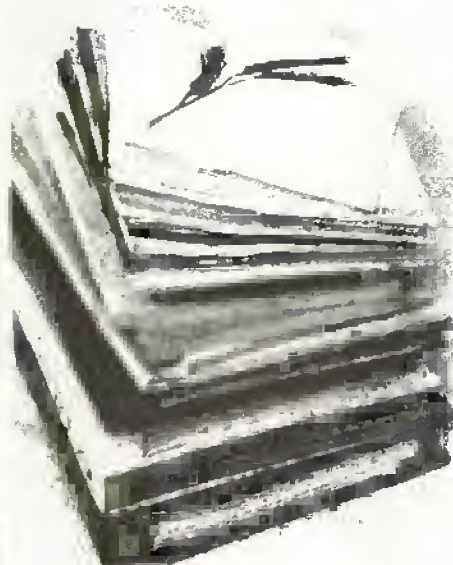
loans guaranteed by FmHA at subsidized interest rates. Producers with low-equity, family-size farms are also given preference in purchasing farmland from FmHA. [Steven R. Koenig (202) 786-1893 and Stephen W. Hiemstra (202) 786-1897]

Upcoming Releases From the Agricultural Statistics Board

The following list gives the release dates of the major Agricultural Statistics Board reports that will be issued by the time the April *Agricultural Outlook* comes off press.

March

- 3 Egg Products
- Poultry Slaughter
- 4 Celery
- Dairy Products
- 8 Vegetables
- 9 Crop Production
- 11 Livestock Slaughter-Annual
- 14 Turkey Hatchery
- 15 Potato Stocks
- 16 Milk Production
- 18 Cattle on Feed
- Catfish
- Cold Storage-Annual
- 21 Cold Storage
- 22 Hop Stocks
- Vegetables
- 23 Eggs, Chickens, & Turkeys
- 25 Wool & Mohair
- Livestock Slaughter
- Hatchery Production-Annual
- 28 Peanut Stocks & Processing
- 30 Agricultural Prices
- 31 Prospective Plantings
- Grain Stocks
- Hogs & Pigs
- Rice Stocks



Recent Publications

The following reports are available **FOR SALE ONLY** from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Order by report title and number. Make checks payable to Superintendent of Documents. Prices subject to change. Bulk discounts available. For faster service or further information call GPO's order desk at (202) 783-3238 and charge your purchase to your VISA, MasterCard, Choice, or GPO Deposit Account.

An Assessment of Marketing Loan Program Options, AER 581. (Price \$2.00.) Stock Number 001-019-00563-7.

Major Statistical Series of the U.S. Department of Agriculture, Volume 10: International Agricultural Statistics. (Price \$1.50.) Stock Number 001-019-00525-4.

Agricultural Irrigation and Water Supply, AIB-532. (Price \$5.00.) Stock Number 001-019-00552-1

Agricultural Input Industry Indicators in 1974-85: Expansion and Contraction, AIB-534, (Price \$1.75.) Stock Number 001-019-00554-8.

World Agricultural Trade Shares, 1962-85, SB-760. (Price \$14.00) Stock Number 001-019-00556-4.



Food and Marketing

FOOD PRICE OUTLOOK

Retail food prices in 1988, as measured by the Consumer Price Index, are expected to rise 2 to 4 percent above 1987, which saw a 4.2-percent increase over 1986. Factors contributing to the slower rise this year are lower prices for some key commodities, slower increases in processing and distributing costs, and little change in consumer demand.

Larger supplies of pork, poultry, and certain fresh fruits and vegetables will help hold food prices down. These commodities have a strong influence on the CPI for all food.

Retail pork prices are expected to average 4 to 8 percent below last year, and poultry prices 7 to 10 percent below. Larger supplies and lower prices of apples and pears will offset

Changes in Food Prices, 1985-88

| | 1986 | 1987 | 1988 forecast |
|-------------------------------|------------------------------------|------------------|------------------|
| Consumer Price Indexes | | | |
| | Percent change from a year earlier | | |
| All food | 3.2 | 4.2 | 2 to 4 |
| Food away from home | 3.9 | 4.0 | 3 to 5 |
| Food at home | 2.9 | 4.3 | 0 to 2 |
| Meat, poultry, & fish | 4.3 | 6.4 ^a | -1 to -3 |
| Meats | 3.2 | 7.5 | -2 to -4 |
| Beef & veal | 0.6 | 7.6 ^a | -1 to 1 |
| Pork | 8.2 | 8.2 | -4 to -8 |
| Other meats | 2.6 | 6.3 | -1 to -3 |
| Poultry | 7.5 | -1.5 | -7 to -10 |
| Fish & seafood | 9.2 | 10.6 | 8 to 12 |
| Eggs | 6.9 | -5.9 | 1 to 3 |
| Dairy products | 0.2 | 2.5 | -1 to 2 |
| Fats & oils | -2.2 | 1.5 | 1 to 3 |
| Fruits & vegetables | 0.9 | 8.8 | 0 to 2 |
| Fresh fruits | 2.1 | 11.3 | -1 to -3 |
| Fresh vegetables | 4.0 | 12.9 | -2 to -4 |
| Processed fruits & vegetables | -1.6 | 3.5 | 2 to 4 |
| Sugar & sweets | 3.2 | 1.8 | 1 to 3 |
| Cereals & bakery products | 2.8 | 3.5 | 3 to 5 |
| Nonalcoholic beverages | 5.9 | -2.6 | 2 to 4 |
| Other prepared foods | 2.6 | 4.2 | 3 to 5 |

Source of historical data: Bureau of Labor Statistics, U.S. Department of Labor.

Forecasts: Economic Research Service, U.S. Department of Agriculture

continued high orange prices, bringing the CPI for fresh fruit down slightly. Larger supplies of fresh vegetables will push vegetable prices down a little.

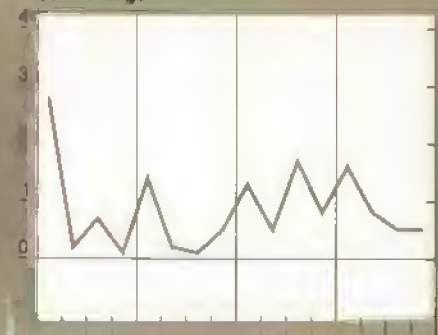
Processing and marketing costs account for about two-thirds of the consumer's food dollar. Labor accounts for half of these costs, with packaging, transportation, and energy taking most of the rest. During 1988 these costs are expected to increase about 5 percent. Part of the marketing cost rise will come from 3- to 4-percent higher input prices. Also, more inputs will be used, such as the added labor to maintain the new salad bars installed in some grocery stores.

Consumer demand for food is not expected to gain considerably in 1988. Population will grow less than 1 percent and disposable personal income is expected to be up about 2 percent. The unemployment rate probably will decline slightly. [Ralph Parlett (202) 786-1870]

Food and Marketing Indicators

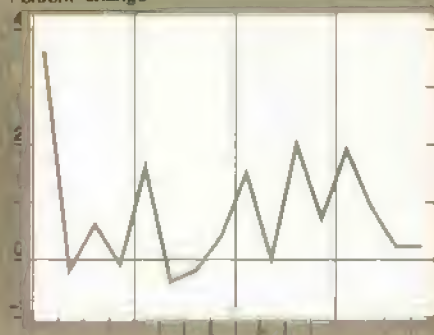
CPI: Total food^o

Percent change



CPI: Food at home^o

Percent change



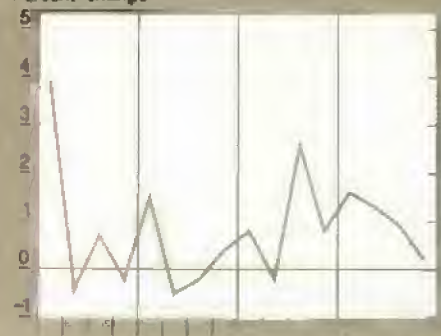
CPI: Food away from home^o

Percent change



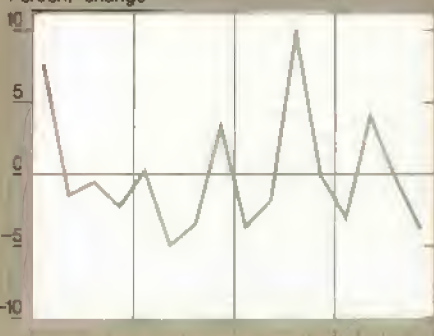
Retail cost of food¹

Percent change



Farm value of food¹

Percent change



Farm-retail spread¹

Percent change



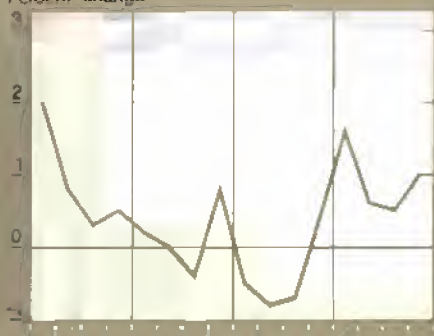
Farm value/retail cost¹

Percent change



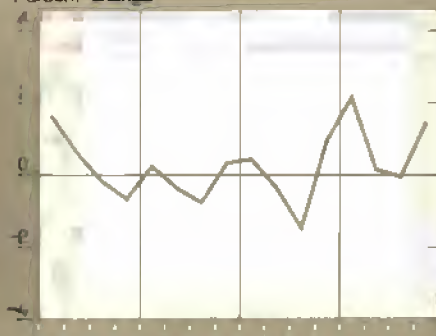
Food marketing cost index²

Percent change



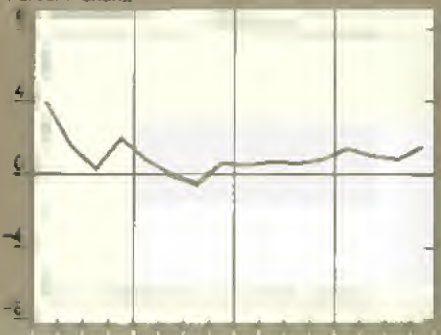
Index of hourly earnings^{3,4}

Percent change



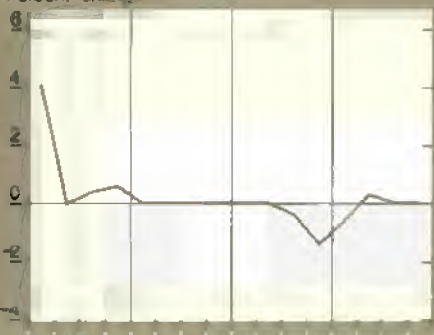
Index of packaging prices⁴

Percent change



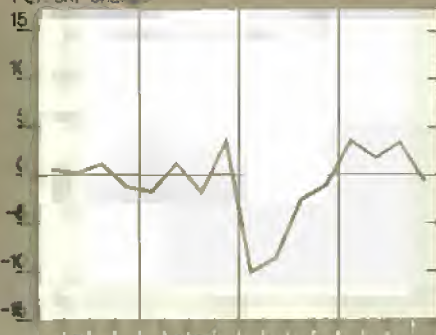
Index of rail freight rates⁴

Percent change



Index of energy rates⁴

Percent change



^oCPI unadjusted. ¹Index based on market basket of farm foods. ²Index of changes in labor, packaging, transportation, energy, and other marketing costs in food retailing, wholesaling, and processing. ³Component of food marketing cost index.

All series expressed as percentage change from preceding quarter, except for "Farm value/retail cost" chart. March 1988



A Survey of Resource & Environmental Policies Affecting Agriculture

Agriculture can be profoundly affected by national policies or programs that do not directly concern farming. Witness the effect of easier monetary policy in reducing interest rates, lessening the value of the dollar, and consequently increasing the competitiveness of U.S. agricultural exports. In coming years, resource and environmental policies will increasingly affect the profitability, structure, and long-term sustainability of farming.

Natural resource policies affect the use, value, and quality of the ingredients of agricultural production—land, soil, and water. Environmental policies are directed toward broader concerns, including protection of human health, but can affect agriculture when production inputs (fertilizers and pesticides, for example) or the byproducts of production (animal waste or soil runoff) are pollutants or health hazards.

The 1985 Food Security Act contains several new, wide-ranging programs targeted at reducing soil erosion on agricultural lands. However, the majority of resource and environmental programs affecting agriculture are legislated outside of farm policy and implemented by agencies other than USDA.

For instance, many farm and ranch enterprises in the Western United States have evolved around low-cost Federal irrigation water and public grazing lands. An increase in water prices or grazing fees could cause severe economic losses by farmers and ranchers who depend on those resources.

When a pesticide is banned because it poses health or environmental risks, the cost of protecting crops goes up unless a same-cost, equally effective material is available. Some of the increased cost may be passed on to consumers, but the rest is absorbed by farmers.

Fertilizer and pesticide contamination of groundwater has led to numerous policy proposals affecting agriculture. The Water Quality Act of 1987 uses State incentives or legislation to reduce pollution due to agriculture. Several States have passed laws restricting land use near major water supplies.

Restricting land use to improve environmental quality can restrict the income of some farmers. For example, prohibiting pesticide or fertilizer use on cropland near vulnerable water systems could reduce yields. Although this and other proposals can indirectly aid the farm sector by reducing surpluses and supporting commodity prices, individual farmers pay the short-term price.

The following spreadsheet reviews selected current and proposed resource and environmental programs affecting agriculture. The range and number of proposals suggest that, over the next several years, agricultural practices will undergo a major transition to meet environmental quality goals, with important effects on farm income and food costs. [Kitty Reichelderfer (202) 786-1448]

For further information contact: conservation policy: Michael Dicks, Skip Hyberg, Ed Young (202) 786-1401; land use and grazing fees policy: Art Daugherty, Ralph Heimlich (202) 786-1419; water quality: Clay Ogg (202) 786-1411; energy from biomass: Michael LeBlanc, Jim Hrubovcak (202) 786-1401; pesticide use policy: Phil Szmedra (202) 786-1459; endangered species: Stephen Crutchfield (202) 786-1444.

Resource & Environmental Policies Affecting Agriculture

| Policy/proposal | Key provisions | Comments |
|--|--|--|
| Land use | | |
| Swampbuster provision | | |
| Current law | Denies price support & deficiency payments, farm storage facility loans, crop insurance, disaster payments, & FmHA-insured loans to any person producing an agricultural commodity on wetland converted since December 23, 1985. | Reduces incentives to convert wetlands to farmland. There are 60 million acres of upland wetlands in private ownership. Between 5 & 16 million acres may be convertible. |
| Proposed changes | | |
| Durenberger (S. 733) | Exempts wetlands used to produce an agricultural commodity in at least 3 years between 1980 & 1985. | In 1982, there were 4.1 million acres of wetlands that were sufficiently dry for crop production. |
| Stangeland (H.R. 2223) | Makes wetlands, converted wetlands, & land currently eligible for Water Bank Program eligible for Conservation Reserve Program (CRP). | Provides benefit program complementary to Swampbuster sanction for wetlands, analogous to CRP for highly erodible lands. |
| Bumpers (S. 1775) | Transfers wetlands or other marginal or environmentally sensitive land in FmHA's inventory to Federal or State wildlife authorities. | Prevents wetlands & other physically marginal land from returning to agricultural production. |
| Softwood timber provision | | |
| Current law | Allows delinquent farm loans to be rescheduled by planting farmland to softwood timber & pledging future revenues to repayment of loan. | Increases U.S. timber supply while aiding debt-burdened farmers. Program limited to 50,000 acres nationally & open only to farmers who own commercial forestland & have debts less than \$1,000/acre. |
| Grazing fees on public rangelands | | |
| Current law | Permits livestock producers to rent public lands from Federal Government for grazing. Establishes formula for determining grazing fee rates. Fees restricted to minimum of \$1.35 per animal unit month (AUM). Annual increase or decrease in fees limited to 25% of previous year's fee. | In 1982, about 27,000 producers grazed livestock on public rangelands, comprising about 7% of Western livestock producers & 2% of nation's producers. Area of public range where use permitted represented 10% of nation's total rangeland forage but provided only 2% of total feed consumed by livestock. |
| Proposed changes | | |
| Darden (H.R. 1481) & Synar (H.R. 2621) | Revises grazing fee formula to establish market-based fees for each of six pricing areas. Fee adjustments, plus or minus, would be limited by both bills—to 33.3% of previous grazing year's fee by Darden & 25% for the first 3 grazing years after 1987 by Synar. After 3 years there would be no limit. Synar would amend statutes concerning use of appropriated range improvement funds & grazing fee revenues, specifying expenditures for riparian habitat improvement. | Based on 1985 values, proposed formula would produce grazing fees of \$4.82-\$8.21 per AUM depending on pricing area, compared with present \$1.35 per AUM. Fees under Synar bill would not increase as rapidly as under Darden bill for first 3 years. Of grazing fees collected, 50% would go into a fund, one-half of which could be made available in the district, region, or national forest from which it was derived. Other 25% would be used for on-ground range improvements, irrespective of where fees originated. Synar would require that 25% of on-ground improvements be riparian habitat. |

| Policy/proposal | Key provisions | Comments |
|--|--|---|
| Land use, continued | | |
| Marlenee (H.R. 1899) | Makes permanent current formula for computing Federal grazing fees. Would eliminate present minimum of \$1.35 per AUM, but would retain annual change limit of not more than plus or minus 25% of previous year's fee. | |
| Soil conservation | | |
| Conservation Reserve Program | | |
| Current law | Pays farmers annual rental payments & half the cost of establishing permanent cover for rebring highly erodible cropland for 10 years. Goal is 45 million acres. | Over 100 million acres are eligible for enrollment in program. Current enrollment of 23 million acres has reduced annual erosion by 480 million tons. New USDA rules expand eligibility to include filter strips & less erodible cropland if it is planted to trees. Stronger emphasis is placed on water quality & achieving the desired level (12.5%) of tree planting. |
| Proposed changes | | |
| Hatcher (H.R. 3357) | Expands program from 45 to 65 million acres, to include farmers with highly erodible cropland that is irrigated with groundwater or known to cause water quality problems. | Including cropland irrigated with groundwater or causing water quality problems may increase eligibility by 10-15 million acres. |
| Nunn (S. 2937) | | |
| Dole (S. 2045) | Establishes a new reserve to idle 5-20 million acres identified as potentially threatening to the environment. Environmental provisions cover groundwater & overall water quality, set restrictions based on pesticide use, soil damage, soil salinity, & related problems. | Dole bill would further place a limit on the total amount of farmland idled under all commodity & conservation programs, & provide permanent spending authority for CRP & an expanded environmental conservation reserve from CCC funds. |
| | | Both Nunn/Hatcher & Dole proposals would allow USDA to increase monetary incentives through bonus payments, additional payments for permanent base retirement, & using CRP acreage to meet set-aside requirements. |
| Sodbuster provision | | |
| Current law | Denies price support & deficiency payments, farm storage facility loans, crop insurance, disaster payments, & FmHA-insured loans to any person producing an agricultural commodity on highly erodible land converted since December 23, 1985, unless an approved conservation plan is adopted & implemented. "Highly erodible" is defined in regulations as an erosion index greater than or equal to 8. | Affects 227 million acres with some potential for conversion. Two-thirds of this land is currently pasture & rangeland. Erosion on sodbusted land must be reduced to the soil tolerance level (T), which averages 5 tons of erosion per acre per year. |
| Conservation compliance provision | | |
| Current law | Requires farmers with highly erodible cropland to begin implementation of a conservation plan by 1990 & complete it by 1995 to retain eligibility for the Government programs listed under Sodbuster. | Could affect production possibilities & costs on up to 65 million acres depending upon the level of enrollment in CRP & the level of treatment required. As many as 10 million acres could drop out of production or out of commodity programs. |

| Policy/proposal | Key provisions | Comments |
|--|--|---|
| Irrigation water | | |
| Reclamation Project Act of 1939 | | |
| Current law | For irrigation water projects constructed by the U.S. Bureau of Reclamation, Secretary of Interior may consider other factors than construction cost when setting terms of repayment contracts. | Subsidizes Western irrigation water development. Farmers pay less than full cost for water developed by Bureau of Reclamation. |
| Proposed changes | | |
| <i>Gejdenson (H.R. 1443)</i> | Requires Secretary of Interior to charge full cost for irrigation water delivered from any project constructed by the Bureau of Reclamation when the water is used for production of a surplus crop. | Reduces potential for the same individual to receive a double subsidy: both irrigation water cost & crop price supports. Likely would reduce use of water from endangered Western aquifers. |
| <i>Stark (H.R. 3384)</i> | Defines individual's taxable gross income to include amount equal to subsidy of irrigation water from Bureau of Reclamation projects. | Garners part of Federal irrigation subsidy for Federal Treasury. Likely would reduce use of water from endangered Western aquifers. |
| Water quality (general) | | |
| 1987 Water Quality Act | | |
| Current law (nonpoint source pollution provisions—NPSP) | Requires each State to identify for EPA, by August 1988, navigable waters which cannot regain or maintain applicable water quality standards without reducing NPSP. Instructs States to identify categories of NPSP contributing to pollution of degraded waterways, & to identify best management practices to reduce NPSP to maximum practical extent & to improve quality of these waterways. | Farmers whose practices are judged to contribute to nonpoint source water pollution problems could be subject to State or local restrictions on land use & agricultural chemical use. Impact on farmers will vary by State. |
| Groundwater protection | | |
| Proposals | | |
| <i>Gejdenson (H.R. 791, with Foley amendments from H.R. 3678)</i> <i>Durenberger (S. 513)</i> <i>Scheuer (H.R. 2253)</i> <i>Burdick (S. 1105)</i> <i>Heinz (S. 1992)</i> | Directs various Federal agencies, including Dept. of Interior, Agriculture, & EPA, to assess groundwater quality & establish programs for groundwater quality research & demonstration of groundwater protection methods. | Increases Federal responsibility for groundwater pollution from agriculture by allocation of research & extension funds. |
| <i>Miller (H.R. 2320)</i> | Secretary of Interior publishes criteria for assessing adequacy of groundwater protection & management programs by States. Within 3 years after criteria are published, no Federal official or agent may expend funds for reclamation projects or execute reclamation contracts within States identified by Secretary as having inadequate groundwater programs. | If reclamation contracts for water & power are not executed, then agricultural, municipal, & industrial users could experience a reduction in utility services. |

| Policy/proposal | Key provisions | Comments |
|--|--|--|
| Groundwater protection, continued | | |
| Karnes <i>(S. 1696)</i> Burdick <i>(S. 1767)</i> Stangeland <i>(H.R. 3069)</i> | Establishes a Best Management Practices Task Force for agricultural nitrogen. to review status of current information & develop & demonstrate best management practices, such as timing nitrogen fertilizer applications to reduce amount applied. | Protects environment & public health by reducing levels of agricultural nitrogen in groundwater & surface water. |
| Energy from biomass | | |
| Current laws | When 10% ethanol or more is blended with gasoline, blenders qualify for 6-cent-per-gallon exemption from current 9-cent excise tax on gasoline. Minimum 10% blend requirement is an effective subsidy of 60 cents per gallon of ethanol. As alternative, blenders may take income tax credit equal to 60 cents per gallon of ethanol. Subsidy expires on September 30, 1993. | Encourages production of ethanol to reduce U.S. reliance on imported oil. |
| Proposed changes | | |
| Dole <i>(S. 1598)</i> Grassley <i>(S. Res. 92)</i> Durbin <i>(H. Res. 74)</i> | Proposals would either extend excise tax exemption through 2000 or reject any recommendation to eliminate the current exemption. | |
| Nagle <i>(H.R. 3172)</i> Daub <i>(H.R. 2949)</i> Exon <i>(S. 781)</i> Exon <i>(S. 1232)</i> | Makes USDA's CCC grain available to ethanol producers. Typically, 100 million bushels of grain would be provided for start-up ethanol producers with capacity of no more than 40 million gallons per year. No one facility would be allowed more than 20 million bushels. | Reduces Federal costs for storing CCC grains & helps expand ethanol industry. However, would cut demand for corn from private suppliers. |
| Daschle <i>(S. 219)</i> Dorgan <i>(H.R. 254)</i> Simon <i>(S. 1304)</i> Mitchell <i>(S. 1351)</i> Alexander <i>(H.R. 2031)</i> Waxman <i>(H.R. 3054)</i> Durbin <i>(H.R. 2052)</i> | Proposals range from nonbinding resolutions expressing sense of both House & Senate with respect to use of ethanol, methanol, & other oxygenated fuels as an accepted air pollution-control strategy, to bills which mandate gasoline blended with ethanol. Example: One proposal requires that half of motor fuels sold by U.S. refiners be blended with 10% ethanol by 1992. | Not clear that ethanol industry could expand quickly enough to meet upper limits of some blending requirements. Additional ethanol demand would increase corn demand & prices. Increased use of ethanol would reduce carbon monoxide but could contribute to ozone problems. |
| Pesticides | | |
| Federal Insecticide, Fungicide, & Rodenticide Act & related issues | | |
| Proposed changes | | |
| Oberstar <i>(H.R. 3174)</i> Durenberger <i>(S. 1419)</i> | Determines which pesticides are likely to leach into groundwater. Sets an action trigger at low, health-based contamination level. | Specific pesticide use would be sharply curtailed if chemical residue were detected in groundwater. Sets low groundwater residue levels. |

| Policy/proposal | Key provisions | Comments |
|--|--|---|
| Pesticides, continued | | |
| Bustamante (H.R. 963) Moynihan (S. 20) | Establishes State & Federal network for assessing & addressing groundwater contamination problems. States set standards based on EPA's list of contaminants. | Provides interdependent Federal & State approach to preventing groundwater contamination. |
| de la Garza (H.R. 2463) Leahy (S. 1516) | Comprehensive revision of FIFRA; provides for a) EPA reregistration of 600 active ingredients used in 50,000 pesticide products; b) fee schedule to be paid by chemical manufacturer to EPA to cover costs of reregistration process; c) evaluation of inert ingredients for possible adverse effects; d) public right-to-know, chemical producers would have to make publicly available product fact sheets of health, safety, & environmental data; e) expedited product cancellation procedure; f) EPA would immediately suspend product originally registered with false or invalid data; g) label precautions required in the U.S. also required on labels of exported pesticides; h) commercial pesticide applicators required to receive formal training; i) States would be given primary enforcement in investigating misuse complaints; j) EPA would have to report to Congress the costs of indemnification for suspended chemicals; k) regulations governing pesticides in groundwater would be tightened. | Both users & manufacturers of agricultural pesticides would be affected by a hastening of the rate at which pesticides are considered for registration, reregistration, or cancellation. Proposed revisions would make pesticide use safer by strengthening the provisions under which these chemicals are registered, marketed, & used |
| Coleman (H.R. 463) | Amends FIFRA to improve notification of local, State, & Federal officials when suspended or cancelled pesticides are stored nearby & to provide for discretionary inspection of storage facilities by EPA. | Insures that suspended & cancelled pesticides are handled safely. Makes location of pesticide storage facilities public knowledge. Insures against long-term storage of a cancelled pesticide in containers meant for short-term retail use. |
| Wyden (H.R. 711) | Requires Food & Drug Administration to seize & destroy imported food found to be in violation of U.S. health standards for pesticide residue levels. | |
| Boucher (H.R. 1345) | Extends patent term from 17 to 22 years for EPA-registered pesticides. Other amendments to FIFRA range from allowing abbreviated product registration applications by generic chemical manufacturers to allowing Federal agencies wishing to use pesticides on public lands access to EPA data. | Allows patent holders an extended marketing period to recoup time lost during EPA registration process. Excludes generic industry from protected markets for additional 5 years. |
| Endangered Species Act of 1973 | | |
| Current law | Authorizes EPA to prohibit or restrict use of pesticides which jeopardize endangered species or their habitats. | EPA has identified 600 counties in 40 States where labeling to restrict use would apply. |
| Proposed changes | | |
| Studds (H.R. 1467) Mitchell (S. 675) | Reauthorizes Endangered Species Act (ESA) of 1973 through 1992. Increases fines for violation. Extends protection to endangered plant species | An opposing bill is proposed (Karnes: S. 1844, & Roberts: H.R. 3477) which would prohibit EPA from implementing pesticide restriction under ESA. |

Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

| | 1987 | | | | 1988 | | | | |
|--|---------|---------|---------|---------|-------------|-------------|-------------|-------------|-------------|
| | I | II | IV | Annual | I F | II F | III F | IV F | Annual F |
| Prices received by farmers (1977=100) | 128 | 128 | 129 | 127 | 127 | 126 | 125 | -- | 127 |
| Livestock & products | 148 | 151 | 144 | 146 | 142 | 142 | 140 | -- | 146 |
| Crops | 106 | 105 | 113 | 106 | 110 | 108 | 109 | -- | 107 |
| Prices paid by farmers, (1977=100) | | | | | | | | | |
| Prod. items | 147 | 148 | 150 | 147 | 152 | 154 | 153 | -- | 153 |
| Commodities & services, int., taxes, & wages | 162 | 164 | 165 | 162 | 165 | 169 | 169 | -- | 168 |
| Cash receipts (\$ bil) 1/ | | | | | | | | | |
| Livestock (\$ bil) | 72 | 79 | 75 | 75 | 73 | 70 | 75 | -- | 72 |
| Crops (\$ bil) | 58 | 60 | 61 | 59 | 72 | 62 | 64 | -- | 64 |
| Market basket (1967=100) | | | | | | | | | |
| Retail cost | 303 | 305 | 306 | 303 | -- | -- | -- | -- | -- |
| Farm value | 245 | 245 | 235 | 240 | -- | -- | -- | -- | -- |
| Spread | 336 | 341 | 347 | 340 | -- | -- | -- | -- | -- |
| Farm value/retail cost (%) | 30 | 30 | 30 | 30 | -- | -- | -- | -- | -- |
| Retail prices (1967=100) | | | | | | | | | |
| Food | 332 | 354 | 336 | 333 | 336 | -- | -- | -- | -- |
| At home | 319 | 319 | 320 | 318 | 319 | -- | -- | -- | -- |
| Away-from home | 372 | 376 | 379 | 374 | 382 | -- | -- | -- | -- |
| Agricultural exports (\$ bil) 2/ | 6.5 | 6.9 | 8.3 | 27.9 | 8.6 | 7.6 | 7.4 | 8.7 | 32.0 |
| Agricultural imports (\$ bil) 2/ | 5.3 | 4.8 | 5.2 | 20.6 | 5.5 | 5.0 | 4.8 | 5.0 | 20.5 |
| Production: * | | | | | | | | | |
| Red meat (mil lb) | 9,238 | 9,624 | 10,102 | 38,449 | 9,607 | 9,418 | 9,703 | 9,617 | 38,345 |
| Poultry (mil lb) | 4,932 | 5,193 | 5,106 | 19,765 | 4,930 | 5,330 | 5,445 | 5,230 | 20,935 |
| Eggs (mil doz) | 1,438 | 1,439 | 1,478 | 5,796 | 1,450 | 1,435 | 1,415 | 1,465 | 5,765 |
| Milk (bil lb) | 37.3 | 35.8 | 34.8 | 142.9 | 36.0 | 38.2 | 36.3 | 35.0 | 145.5 |
| Consumption, per capita: | | | | | | | | | |
| Red meat and poultry (lbs) | 52.9 | 54.3 | 57.0 | 216.7 | 54.3 | 54.8 | 55.9 | 56.8 | 221.9 |
| Corn beginning stocks (mil bu) 3/ | 8,248.2 | 6,332.2 | 4,881.7 | 4,881.7 | -- | -- | -- | -- | -- |
| Corn use (mil bu) 3/ | 1,916.5 | 1,451.0 | 2,179.4 | 7,409.8 | -- | -- | -- | -- | -- |
| Prices: 4/ | | | | | | | | | |
| Choice steers--Omaha (\$/cwt) | 68.60 | 65.04 | 64.31 | 64.60 | 63-67 | 64-70 | 62-68 | 62-68 | 63-69 |
| Barrows and gilts--7 mths. (\$/cwt) | 56.18 | 58.97 | 43.51 | 51.68 | 42-46 | 42-48 | 41-47 | 39-45 | 41-47 |
| Broilers--12-city (cts/lb) | 48.2 | 48.7 | 42.5 | 47.4 | 41-45 | 41-47 | 41-47 | 38-44 | 40-46 |
| Eggs--NY Gr. A large (cts/doz) | 58.9 | 63.5 | 59.2 | 61.6 | 55-59 | 53.59 | 60-66 | 63-69 | 57-63 |
| Milk--all at plant (\$/cwt) | 12.07 | 12.33 | 12.83 | 12.53 | 11.70-12.10 | 11.00-11.60 | 11.35-12.05 | 11.95-12.65 | 11.50-12.10 |
| Wheat--Kansas city HRW (\$/bu) | 2.94 | 2.65 | 2.86 | 2.72 | -- | -- | -- | -- | -- |
| Corn--Chicago (\$/bu) | 1.82 | 1.68 | 1.74 | 1.64 | -- | -- | -- | -- | -- |
| Soybeans--Chicago (\$/bu) | 5.37 | 5.16 | 5.36 | 5.19 | -- | -- | -- | -- | -- |
| Cotton--Avg. spot mkt. (cts/lb) | 64.7 | 73.5 | 66.8 | 53.2 | -- | -- | -- | -- | -- |
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 P | 1988 F |
| Gross cash income (\$ bil) | 143.3 | 146.0 | 150.6 | 150.4 | 155.1 | 156.9 | 152.0 | 156 | 154-156 |
| Gross cash expenses (\$ bil) | 109.1 | 113.2 | 112.5 | 113.3 | 116.3 | 108.6 | 100.1 | 98 | 98-101 |
| Net cash income (\$ bil) | 34.2 | 32.8 | 38.1 | 37.1 | 38.8 | 47.3 | 52.0 | 57 | 50-55 |
| Net farm income (\$ bil) | 16.1 | 26.9 | 23.5 | 12.7 | 32.0 | 32.3 | 37.5 | 45 | 40-45 |
| Farm real estate values (1977=100) 5/ | 145 | 158 | 157 | 148 | 146 | 128 | 112 | 103 | -- |

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Dec.-Feb. first quarter; Mar.-May second quarter; June-Aug. third quarter; Sept.-Nov. fourth quarter; Sept.-Aug. annual. Use includes exports and domestic disappearance. 4/ Simple averages. 5/ As of February 1. P = preliminary. F = forecast. * = commercial production.

U.S. and Foreign Economic Data

Table 2.—U.S. Gross National Product & Related Data

| | Annual | | | 1986 | | 1987 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1985 | 1986 | 1987 P | IV | I | II | III R | IV P |
| \$ billion (quarterly data seasonally adjusted at annual rates) | | | | | | | | |
| Gross national product | 4,010.3 | 4,235.0 | 4,486.2 | 4,288.1 | 4,377.7 | 4,445.1 | 4,524.0 | 4,598.0 |
| Personal consumption expenditures | 2,629.4 | 2,799.8 | 2,966.0 | 2,858.6 | 2,893.8 | 2,943.7 | 3,011.3 | 3,015.1 |
| Durable goods | 368.7 | 402.4 | 413.9 | 419.8 | 396.1 | 409.0 | 436.8 | 413.8 |
| Nondurable goods | 913.1 | 939.4 | 980.4 | 946.3 | 969.9 | 982.1 | 986.4 | 983.4 |
| Clothing & shoes | 157.2 | 167.5 | 176.5 | 169.6 | 174.0 | 175.8 | 178.7 | 177.3 |
| Food & beverages | 472.8 | 497.8 | 514.5 | 507.5 | 514.8 | 515.0 | 514.0 | 514.1 |
| Services | 1,347.5 | 1,458.0 | 1,571.6 | 1,492.4 | 1,527.7 | 1,552.6 | 1,588.1 | 1,618.0 |
| Gross Private domestic investment | 641.6 | 671.0 | 716.4 | 660.2 | 699.9 | 702.6 | 707.4 | 755.6 |
| Fixed investment | 631.6 | 655.2 | 670.6 | 666.6 | 648.2 | 662.3 | 684.5 | 687.4 |
| Change in business inventories | 10.0 | 15.7 | 45.7 | -6.4 | 51.6 | 40.3 | 22.9 | 68.1 |
| Net exports of goods & services | -79.2 | -105.5 | -119.9 | -116.9 | -112.2 | -118.4 | -123.7 | -125.5 |
| Government purchases of goods & services | 818.6 | 869.7 | 923.8 | 886.3 | 896.2 | 917.1 | 929.0 | 952.8 |
| 1982 \$ billion (quarterly data seasonally adjusted at annual rates) | | | | | | | | |
| Gross national product | 3,607.5 | 3,713.3 | 3,819.6 | 3,731.5 | 3,772.2 | 3,795.3 | 3,835.9 | 3,875.1 |
| Personal consumption expenditures | 2,352.6 | 2,450.5 | 2,495.2 | 2,480.5 | 2,475.9 | 2,487.5 | 2,520.7 | 2,496.6 |
| Durable goods | 352.7 | 383.5 | 388.1 | 399.0 | 375.9 | 385.4 | 406.9 | 384.4 |
| Nondurable goods | 849.5 | 877.2 | 875.9 | 880.3 | 883.2 | 879.0 | 875.7 | 865.6 |
| Clothing & shoes | 147.9 | 158.0 | 159.0 | 158.4 | 160.4 | 157.3 | 161.7 | 156.6 |
| Food & beverages | 436.5 | 444.9 | 440.1 | 444.0 | 447.5 | 441.6 | 437.1 | 434.1 |
| Services | 1,150.4 | 1,189.8 | 1,231.2 | 1,201.1 | 1,216.9 | 1,223.1 | 1,238.1 | 1,246.6 |
| Gross Private domestic investment | 636.1 | 654.0 | 685.4 | 631.0 | 671.8 | 673.7 | 681.9 | 714.2 |
| Fixed investment | 628.7 | 640.2 | 643.0 | 645.4 | 624.2 | 634.7 | 657.3 | 655.9 |
| Change in business inventories | 7.4 | 13.8 | 42.4 | -14.4 | 47.6 | 39.0 | 24.6 | 58.3 |
| Net exports of goods & services | -108.2 | -145.8 | -134.3 | -151.8 | -135.2 | -132.7 | -138.4 | -130.7 |
| Government purchases of goods & services | 726.9 | 754.5 | 773.3 | 771.8 | 759.6 | 766.7 | 771.7 | 795.0 |
| GNP implicit price deflator | | | | | | | | |
| % change | 3.2 | 2.6 | 3.0 | .7 | 4.2 | 3.5 | 2.8 | 2.7 |
| Disposable personal income (\$ bil) | 2,841.1 | 3,022.1 | 3,181.1 | 3,061.6 | 3,125.9 | 3,130.6 | 3,195.3 | 3,272.6 |
| Disposable per. income (1982 \$ bil) | 2,542.2 | 2,645.1 | 2,676.1 | 2,656.7 | 2,674.6 | 2,645.5 | 2,674.7 | 2,709.7 |
| Per capita disposable per. income (\$) | 11,872 | 12,508 | 13,048 | 12,626 | 12,865 | 12,858 | 13,090 | 13,374 |
| Per capita dis. per. income (1982 \$) | 10,622 | 10,947 | 10,976 | 10,956 | 11,008 | 10,865 | 10,958 | 11,074 |
| U.S. population, total, incl. military abroad (mil) | 239.3 | 241.6 | 243.8 | 242.5 | 243.0 | 243.5 | 244.1 | 244.7 |
| Civilian population (mil) | 237.0 | 239.4 | 241.5 | 240.2 | 240.7 | 241.3 | 241.8 | 242.4 |
| | Annual | | | 1986 | | 1987 | | |
| | 1985 | 1986 | 1987 P | Dec | Sept | Oct | Nov | Dec P |
| Monthly data seasonally adjusted | | | | | | | | |
| Industrial production (1977=100) | 123.7 | 125.1 | 129.8 | 126.8 | 131.0 | 132.5 | 133.1 | 133.3 |
| Leading economic indicators (1967=100) | 168.6 | 179.3 | 189.9 | 186.7 | 193.4 | 193.3 | 191.0 | 190.7 |
| Civilian employment (mil. persons) | 107.2 | 109.6 | 112.4 | 110.7 | 112.9 | 113.2 | 113.5 | 113.7 |
| Civilian unemployment rate (%) | 7.1 | 6.9 | 6.1 | 6.7 | 5.9 | 6.0 | 5.9 | 5.8 |
| Personal income (\$ bil annual rate) | 3,327.0 | 3,534.3 | 3,745.8 | 3,613.0 | 3,783.2 | 3,853.8 | 3,836.0 | 3,864.6 |
| Money stock-M2 (daily avg) (\$bil) 1/ | 2,569.5 | 2,801.2 | 2,895.4 | 2,801.2 | 2,875.7 | 2,892.2 | 2,890.9 | 2,895.4 |
| Three-month Treasury bill rate (%) | 7.48 | 5.98 | 5.82 | 5.49 | 6.32 | 6.40 | 5.81 | 5.80 |
| Aaa corporate bond yield (Moody's) (%) | 11.37 | 9.02 | 9.38 | 8.49 | 10.18 | 10.52 | 10.01 | 10.11 |
| Housing starts (thou) 2/ | 1,742 | 1,805 | 1,617 | 1,813 | 1,685 | 1,537 | 1,639 | 1,374 |
| Auto sales at retail, total (mil) | 11.0 | 11.4 | 10.3 | 13.0 | 11.7 | 9.3 | 9.9 | 10.9 |
| Business inventory/sales ratio | 1.54 | 1.54 | -- | 1.47 | 1.48 | 1.49 | 1.51 | -- |
| Sales of all retail stores (\$ bil) | 115.0 | 121.2 | 125.5 | 127.5 | 126.8 | 125.6 | 125.8 P | 126.7 |
| Nondurable goods stores (\$ bil) | 71.8 | 73.9 | 76.9 | 75.1 | 77.1 | 77.0 | 77.0 P | 77.1 |
| Food stores (\$ bil) | 23.7 | 24.6 | 25.3 | 25.2 | 25.3 | 25.2 | 25.1 P | 25.3 |
| Eating & drinking places (\$ bil) | 11.1 | 12.1 | 12.7 | 12.8 | 12.5 | 12.5 | 12.7 P | 12.8 |
| Apparel & accessory stores (\$ bil) | 6.2 | 6.7 | 7.1 | 7.0 | 7.2 | 7.1 | 7.0 P | 7.0 |

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary.

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Table 3.—Foreign Economic Growth, Inflation, & Export Earnings

| | Average 1970-74 | Average 1975-79 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 F | 1988 F |
|-----------------------|--------------------|--------------------|------|------|-------|-------|-------|-------|-------|--------|--------|
| Annual Percent change | | | | | | | | | | | |
| Total foreign | | | | | | | | | | | |
| Real GNP | 5.5 | 3.7 | 2.6 | 1.5 | 1.7 | 2.1 | 3.2 | 3.0 | 2.8 | 2.6 | 2.4 |
| CPI | 10.2 | 14.0 | 16.9 | 15.6 | 14.4 | 18.4 | 22.5 | 21.6 | 11.4 | 16.6 | 25.4 |
| Export earnings | 27.5 | 14.6 | 22.2 | -2.7 | -7.0 | -2.4 | 5.4 | -0.8 | 15.3 | 16.2 | 9.3 |
| Developed less U.S. | | | | | | | | | | | |
| Real GNP | 4.8 | 3.1 | 2.4 | 1.4 | 1.1 | 1.9 | 3.4 | 3.3 | 2.4 | 2.7 | 2.3 |
| CPI | 8.4 | 9.4 | 10.9 | 9.6 | 8.0 | 6.0 | 5.1 | 4.7 | 2.7 | 2.6 | 3.1 |
| Export earnings | 23.9 | 14.9 | 17.0 | -3.3 | -4.3 | -0.5 | 6.2 | 4.9 | 19.2 | 17.1 | 9.1 |
| Centrally planned | | | | | | | | | | | |
| Real GNP | 5.1 | 3.5 | 1.5 | 2.1 | 2.7 | 3.4 | 3.7 | 2.9 | 4.0 | 3.0 | 2.9 |
| Export earnings | 19.4 | 16.1 | 16.5 | 3.4 | 6.0 | 8.2 | 1.5 | -5.1 | 7.3 | 7.3 | 8.1 |
| Latin America | | | | | | | | | | | |
| Real GNP | 7.4 | 5.1 | 5.3 | 0.7 | -0.5 | -2.7 | 3.3 | 3.7 | 3.8 | 2.1 | 1.2 |
| CPI | 23.5 | 53.7 | 61.3 | 64.9 | 72.6 | 126.2 | 174.1 | 179.4 | 86.1 | 139.1 | 231.5 |
| Export earnings | 28.1 | 12.8 | 30.1 | 5.3 | -10.0 | -0.9 | 7.0 | -6.1 | -15.1 | 4.6 | 9.8 |
| Africa & Middle East | | | | | | | | | | | |
| Real GNP | 8.9 | 6.4 | 1.3 | -1.3 | 1.7 | 1.5 | 0.6 | 1.1 | -1.6 | -0.5 | 1.1 |
| CPI | 8.7 | 16.4 | 24.6 | 17.3 | 12.9 | 16.7 | 19.4 | 11.2 | 12.0 | 14.9 | 12.7 |
| Export earnings | 49.6 | 43.2 | 37.9 | -9.2 | -19.7 | -16.1 | -8.0 | -28.9 | -15.4 | 5.0 | 14.7 |
| Asia | | | | | | | | | | | |
| Real GNP | 6.0 | 6.8 | 6.3 | 6.5 | 3.8 | 6.5 | 5.7 | 3.9 | 6.3 | 5.9 | 5.1 |
| CPI | 13.0 | 8.4 | 16.4 | 14.1 | 7.3 | 7.7 | 8.5 | 5.2 | 4.4 | 5.7 | 6.1 |
| Export earnings | 30.1 | 19.4 | 27.8 | 6.8 | -0.3 | 3.5 | 13.4 | -1.6 | 7.0 | 24.0 | 11.4 |

P = preliminary. F = forecast.

Information contact: Timothy Baxter (202) 786-1688.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

| | Annual | | | 1987 | | | | | | | 1988 |
|--|----------|-------|--------|-------|-----|------|-------|-------|-----|-------|------|
| | 1985 | 1986 | 1987 P | Jan | Aug | Sept | Oct | Nov R | Dec | Jan P | |
| | 1977=100 | | | | | | | | | | |
| Prices received | | | | | | | | | | | |
| All farm products | 128 | 123 | 127 | 121 | 127 | 129 | 127 | 132 | 127 | 130 | |
| All crops | 120 | 107 | 106 | 100 | 103 | 104 | 106 | 120 | 113 | 114 | |
| Food grains | 133 | 109 | 102 | 100 | 94 | 101 | 108 | 113 | 114 | 115 | |
| Feed grains & hay | 122 | 98 | 85 | 80 | 82 | 83 | 86 | 88 | 92 | 93 | |
| Feed grains | 122 | 96 | 81 | 76 | 78 | 78 | 81 | 84 | 89 | 90 | |
| Cotton | 93 | 91 | 98 | 86 | 105 | 107 | 106 | 107 | 106 | 105 | |
| Tobacco | 153 | 138 | 130 | 129 | 127 | 137 | 137 | 137 | 137 | 134 | |
| Oil-bearing crops | 84 | 77 | 79 | 74 | 80 | 79 | 79 | 83 | 86 | 89 | |
| Fruit, all | 180 | 169 | 181 | 160 | 176 | 185 | 187 | 236 | 170 | 169 | |
| Fresh market 1/ | 192 | 177 | 191 | 165 | 186 | 196 | 211 | 259 | 178 | 177 | |
| Commercial vegetables | 128 | 130 | 144 | 150 | 127 | 129 | 122 | 203 | 177 | 187 | |
| Fresh market | 122 | 123 | 147 | 154 | 127 | 129 | 118 | 225 | 195 | 208 | |
| Potatoes & dry beans | 124 | 114 | 127 | 129 | 122 | 100 | 95 | 93 | 89 | 80 | |
| Livestock & products | 136 | 138 | 146 | 142 | 151 | 152 | 147 | 143 | 141 | 146 | |
| Meat animals | 142 | 145 | 163 | 150 | 171 | 171 | 165 | 157 | 157 | 165 | |
| Dairy products | 131 | 129 | 129 | 137 | 127 | 131 | 133 | 133 | 131 | 130 | |
| Poultry & eggs | 119 | 128 | 108 | 118 | 110 | 112 | 99 | 105 | 98 | 101 | |
| Prices paid | | | | | | | | | | | |
| Commodities & services, | | | | | | | | | | | |
| Interest, taxes, & wage rates | 163 | 159 | 162 | 158 | -- | -- | 165 | -- | -- | 165 | |
| Production items | 151 | 144 | 147 | 142 | -- | -- | 150 | -- | -- | 152 | |
| Feed | 116 | 108 | 103 | 99 | -- | -- | 105 | -- | -- | 112 | |
| Feeder livestock | 154 | 153 | 179 | 164 | -- | -- | 190 | -- | -- | 193 | |
| Seed | 153 | 148 | 148 | 146 | -- | -- | 149 | -- | -- | 149 | |
| Fertilizer | 135 | 124 | 118 | 116 | -- | -- | 121 | -- | -- | 121 | |
| Agricultural chemicals | 128 | 127 | 124 | 126 | -- | -- | 123 | -- | -- | 123 | |
| Fuels & energy | 201 | 162 | 161 | 153 | -- | -- | 168 | -- | -- | 161 | |
| Farm & motor supplies | 146 | 144 | 144 | 141 | -- | -- | 144 | -- | -- | 144 | |
| Autos & trucks | 193 | 198 | 208 | 196 | -- | -- | 213 | -- | -- | 213 | |
| Tractors & self-propelled machinery | 178 | 174 | 174 | 172 | -- | -- | 176 | -- | -- | 176 | |
| Other machinery | 183 | 184 | 185 | 181 | -- | -- | 188 | -- | -- | 188 | |
| Building & fencing | 136 | 136 | 137 | 136 | -- | -- | 138 | -- | -- | 138 | |
| Fare services & cash rent | 150 | 150 | 146 | 146 | -- | -- | 146 | -- | -- | 150 | |
| Interest payable per acre on farm real estate debt | 237 | 219 | 207 | 207 | -- | -- | 207 | -- | -- | 193 | |
| Taxes payable per acre on farm real estate | 133 | 134 | 136 | 136 | -- | -- | 136 | -- | -- | 138 | |
| Wage rates (seasonally adjusted) | 154 | 160 | 167 | 159 | -- | -- | 162 | -- | -- | 162 | |
| Production items, interest, taxes, & wage rates | 157 | 150 | 152 | 148 | -- | -- | 155 | -- | -- | 155 | |
| Ratio, Prices received to Prices paid 2/ | 79 | 77 | 78 | 77 | 77 | 79 | 77 | 80 | 77 | 79 | |
| Prices received (1910-14=100) | 585 | 561 | 578 | 555 | 581 | 588 | 580 | 601 | 582 | 596 | |
| Prices paid, etc. (parity index) (1910-14=100) | 1,120 | 1,096 | 1,115 | 1,087 | -- | -- | 1,132 | -- | -- | 1,138 | |
| Parity ratio (1910-14=100) 2/ | 52 | 51 | 52 | 51 | 52 | 52 | 51 | 53 | 51 | 52 | |

1/ Fresh market for noncitrus; fresh market and processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities and services, interest, taxes, and wage rates. Ratio derived using the most recent prices paid index. Prices paid data will be published in January, April, July, and October. P = preliminary. R = revised.

Information contact: National Agricultural Statistics Service (202) 447-5446.

Table 5.—Prices Received by Farmers, U.S. Average

| | Annual 1/ | | | 1987 | | | | | | 1988 |
|-----------------------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1985 | 1986 | 1987 P | Jan | Aug | Sept | Oct | Nov R | Dec R | Jan P |
| Crops | | | | | | | | | | |
| All wheat (\$/bu) | 3.20 | 2.71 | 2.55 | 2.53 | 2.36 | 2.54 | 2.62 | 2.69 | 2.70 | 2.77 |
| Rice, rough (\$/cwt) | 7.85 | 5.04 | 4.49 | 3.55 | 3.74 | 4.28 | 5.68 | 7.09 | 7.37 | 6.89 |
| Corn (\$/bu) | 2.49 | 1.96 | 1.56 | 1.48 | 1.47 | 1.49 | 1.56 | 1.62 | 1.72 | 1.77 |
| Sorghum (\$/cwt) | 3.97 | 3.11 | 2.56 | 2.37 | 2.52 | 2.43 | 2.48 | 2.69 | 2.73 | 2.75 |
| All hay, baled (\$/ton) | 69.90 | 61.60 | 63.00 | 56.10 | 61.80 | 65.10 | 65.10 | 62.10 | 65.00 | 62.80 |
| Soybeans (\$/bu) | 5.42 | 5.00 | 5.07 | 4.70 | 5.02 | 4.99 | 5.04 | 5.36 | 5.63 | 5.90 |
| Cotton, Upland (cts/lb) | 56.1 | 54.8 | 59.4 | 52.1 | 65.3 | 64.9 | 64.1 | 64.9 | 64.2 | 63.7 |
| Potatoes (\$/cwt) | 3.92 | 5.03 | 4.47 | 5.01 | 5.10 | 3.91 | 3.82 | 3.59 | 3.57 | 3.60 |
| Lettuce (\$/cwt) | 10.90 | 11.90 | 14.80 | 14.50 | 18.00 | 16.30 | 13.30 | 42.20 | 34.80 | 34.80 |
| Tomatoes (\$/cwt) | 24.10 | 25.10 | 25.10 | 28.30 | 16.50 | 21.20 | 26.80 | 45.80 | 22.60 | 24.70 |
| Onions (\$/cwt) | 9.08 | 10.90 | 11.40 | 16.20 | 9.79 | 10.30 | 9.77 | 8.82 | 10.10 | 14.20 |
| Dry edible beans (\$/cwt) | 17.60 | 19.01 | 15.50 | 21.50 | 16.10 | 15.40 | 14.60 | 14.00 | 13.10 | 13.30 |
| Apples for fresh use (cts/lb) | 17.3 | 19.1 | NA | 18.2 | 15.5 | 18.0 | 14.3 | 12.5 | 11.8 | 11.5 |
| Pears for fresh use (\$/ton) | 349.00 | 372.00 | 217.00 | 376.00 | 234.00 | 239.00 | 196.00 | 211.00 | 147.00 | 135.00 |
| Oranges, all uses (\$/box) 2/ | 7.41 | 4.42 | 4.55 | 4.01 | 6.18 | 6.01 | 7.36 | 10.23 | 5.45 | 6.19 |
| Grapefruit, all uses (\$/box) 2/ | 4.01 | 4.29 | 5.00 | 5.80 | 5.95 | 5.52 | 5.07 | 6.81 | 5.84 | 5.34 |
| Livestock | | | | | | | | | | |
| Beef cattle (\$/cwt) | 54.00 | 52.80 | 61.40 | 56.40 | 61.90 | 63.70 | 62.90 | 62.00 | 62.20 | 65.10 |
| Calves (\$/cwt) | 62.40 | 60.90 | 78.10 | 66.40 | 82.30 | 85.90 | 81.40 | 82.90 | 83.10 | 86.20 |
| Hogs (\$/cwt) | 43.90 | 50.10 | 50.90 | 47.20 | 58.60 | 54.30 | 48.90 | 40.60 | 40.30 | 42.70 |
| Lambs (\$/cwt) | 68.10 | 69.10 | 77.90 | 76.60 | 76.10 | 76.80 | 71.90 | 65.70 | 72.80 | 81.80 |
| All milk, sold to plants (\$/cwt) | 12.70 | 12.50 | 12.50 | 13.30 | 12.30 | 12.70 | 12.90 | 12.90 | 12.70 | 12.60 |
| Milk, manuf. grade (\$/cwt) | 11.78 | 11.55 | 11.40 | 12.00 | 11.20 | 11.60 | 11.80 | 11.70 | 11.60 | 11.40 |
| Broilers (cts/lb) | 30.1 | 34.5 | 28.5 | 31.1 | 31.6 | 28.5 | 25.2 | 26.4 | 24.6 | 27.1 |
| Eggs (cts/doz) 3/ | 57.4 | 61.2 | 53.8 | 59.3 | 50.6 | 59.7 | 51.3 | 55.2 | 48.6 | 49.3 |
| Turkeys (cts/lb) | 47.2 | 44.4 | 34.2 | 34.9 | 31.4 | 30.8 | 29.9 | 33.7 | 38.1 | 31.8 |
| Wool (cts/lb) 4/ | 63.3 | 66.8 | NA | 57.0 | 84.2 | 88.2 | 87.2 | 86.5 | 86.2 | 75.2 |

1/ Calendar year averages, except for potatoes, dry edible beans, apples, oranges, and grapefruit, which are crop years.
 2/ Equivalent on-tree returns. 3/ Average of all eggs sold by producers including hatching eggs and eggs sold at retail.
 4/ Average local market price, excluding incentive payments. P = preliminary. R = revised. NA = not available.

Information contact: National Agricultural Statistics Service (202) 447-5446

Producer and Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

| | Annual | 1986 | 1987 | | | | | | | |
|-----------------------------------|--------|-------|-------|-------|-------|----------|-------|-------|-------|-------|
| | 1987 | Dec | May | June | July | Aug | Sept | Oct | Nov | Dec |
| | | | | | | 1967=100 | | | | |
| Consumer price index, all items | 340.4 | 331.1 | 338.7 | 340.1 | 340.8 | 342.7 | 344.4 | 345.3 | 345.8 | 345.7 |
| Consumer price index, less food | 340.1 | 330.6 | 338.3 | 339.6 | 340.5 | 342.7 | 344.6 | 345.6 | 346.2 | 345.7 |
| All food | 333.0 | 325.2 | 332.5 | 334.1 | 333.6 | 333.8 | 334.9 | 335.3 | 335.1 | 336.7 |
| Food away from home | 374.4 | 367.1 | 372.3 | 373.8 | 374.9 | 375.9 | 377.4 | 378.4 | 379.6 | 380.4 |
| Food at home | 318.5 | 310.2 | 318.8 | 320.4 | 319.1 | 319.0 | 319.8 | 319.9 | 319.0 | 321.0 |
| Meats 1/ | 294.4 | 286.3 | 291.8 | 297.1 | 299.8 | 301.0 | 300.7 | 300.2 | 298.4 | 296.4 |
| Beef & veal | 292.0 | 279.5 | 292.6 | 297.6 | 297.7 | 296.2 | 295.1 | 296.3 | 298.3 | 298.1 |
| Pork | 296.2 | 294.2 | 289.4 | 287.7 | 305.8 | 308.3 | 309.4 | 304.0 | 295.1 | 289.0 |
| Poultry | 228.3 | 241.9 | 230.5 | 228.3 | 226.1 | 230.0 | 229.1 | 227.8 | 219.8 | 219.7 |
| Fish | 490.4 | 457.6 | 486.6 | 484.2 | 489.7 | 493.7 | 498.3 | 496.0 | 499.5 | 503.3 |
| Eggs | 175.4 | 198.6 | 169.5 | 161.2 | 168.2 | 164.4 | 187.0 | 175.1 | 179.9 | 163.8 |
| Dairy products 2/ | 264.8 | 262.2 | 264.3 | 263.7 | 263.2 | 264.2 | 266.0 | 267.2 | 267.2 | 266.8 |
| Fats & oils 3/ | 292.0 | 286.0 | 293.3 | 291.4 | 292.9 | 292.6 | 291.2 | 290.1 | 291.8 | 291.0 |
| Fresh fruit | 410.9 | 355.8 | 431.8 | 437.5 | 416.7 | 410.2 | 409.8 | 422.4 | 391.4 | 393.2 |
| Processed fruit 4/ | 169.9 | 163.1 | 170.5 | 171.0 | 170.2 | 171.8 | 172.3 | 171.3 | 171.4 | 172.6 |
| Fresh vegetables | 372.8 | 342.5 | 379.0 | 396.3 | 371.0 | 351.3 | 351.5 | 345.0 | 371.8 | 430.0 |
| Potatoes | 370.9 | 332.0 | 406.1 | 436.1 | 444.6 | 407.7 | 353.3 | 325.6 | 321.6 | 331.7 |
| Processed vegetables 4/ | 151.5 | 147.4 | 151.2 | 151.9 | 152.3 | 152.7 | 152.3 | 152.0 | 151.8 | 151.8 |
| Cereals & bakery products 4/ | 337.2 | 329.5 | 336.5 | 337.0 | 338.4 | 338.8 | 338.9 | 339.5 | 341.2 | 343.2 |
| Sugar & sweets | 418.5 | 411.8 | 417.7 | 419.3 | 418.8 | 419.6 | 420.6 | 420.9 | 419.9 | 418.6 |
| Beverages, nonalcoholic | 465.6 | 470.2 | 467.9 | 462.6 | 458.5 | 458.8 | 458.4 | 462.3 | 455.0 | 453.7 |
| Apparel commodities less footwear | 197.7 | 191.7 | 198.5 | 194.7 | 190.7 | 195.3 | 203.7 | 207.7 | 207.5 | 201.5 |
| Footwear | 217.8 | 214.0 | 220.8 | 218.8 | 214.3 | 215.9 | 219.1 | 222.4 | 223.9 | 222.3 |
| Tobacco & smoking products | 376.1 | 357.6 | 370.9 | 372.7 | 379.9 | 380.8 | 382.4 | 383.7 | 384.3 | 385.7 |
| Beverages, alcoholic | 246.0 | 240.8 | 245.0 | 245.9 | 246.7 | 247.3 | 247.8 | 248.4 | 248.9 | 248.8 |

1/ Beef, veal, lamb, pork, and processed meat. 2/ Includes butter. 3/ Excludes butter. 4/ December 1977=100.

Information contact: Ralph Parlett (202) 786-1870.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

| | Annual | | | 1986 | 1987 | | | | | |
|------------------------------------|----------|-------|--------|-------|--------|-------|-------|-------|-------|-------|
| | 1985 | 1986 | 1987 P | Dec | July R | Aug R | Sept | Oct | Nov | Dec |
| | 1967=100 | | | | | | | | | |
| Finished goods 1/ | 293.7 | 289.7 | 295.7 | 290.4 | 297.4 | 297.3 | 296.7 | 298.2 | 298.1 | 296.8 |
| Consumer foods | 271.2 | 278.1 | 283.9 | 282.9 | 287.5 | 284.0 | 286.0 | 284.1 | 284.9 | 282.2 |
| Fresh fruit | 256.1 | 262.1 | 263.3 | 272.1 | 261.8 | 253.8 | 248.9 | 267.4 | 286.1 | 280.9 |
| Fresh & dried vegetables | 245.1 | 241.1 | 255.8 | 251.9 | 282.2 | 232.4 | 245.0 | 226.0 | 310.0 | 270.2 |
| Dried fruit | 363.5 | 377.4 | 389.5 | 385.0 | 390.2 | 390.0 | 390.0 | 387.6 | 401.1 | 405.6 |
| Canned fruit & juice ² | 323.1 | 315.1 | 327.4 | 320.9 | 330.1 | 330.3 | 329.8 | 329.9 | 330.3 | 332.8 |
| Frozen fruit & juice | 362.3 | 314.8 | 346.6 | 326.3 | 344.9 | 345.8 | 344.6 | 344.6 | 354.3 | 387.0 |
| Fresh veg excl potatoes | 205.9 | 204.0 | 203.2 | 206.1 | 209.2 | 158.2 | 201.6 | 184.0 | 277.9 | 229.8 |
| Canned veg & juices | 246.9 | 245.1 | 251.0 | 247.2 | 250.7 | 254.2 | 252.5 | 247.6 | 248.2 | 248.4 |
| Frozen vegetables | 298.4 | 298.5 | 300.4 | 298.8 | 300.8 | 300.9 | 300.7 | 300.1 | 298.2 | 298.7 |
| Potatoes | 304.3 | 312.6 | 361.8 | 350.5 | 398.8 | 367.2 | 332.2 | 320.7 | 325.9 | 343.0 |
| Eggs | 171.0 | 177.9 | 156.6 | 194.0 | 152.4 | 142.4 | 179.9 | 144.9 | 165.5 | 126.2 |
| Bakery products | 313.7 | 321.3 | 326.2 | 321.0 | 326.1 | 328.3 | 328.5 | 330.9 | 330.7 | 334.1 |
| Meats | 227.9 | 235.2 | 251.1 | 244.0 | 269.5 | 258.1 | 263.7 | 253.5 | 239.3 | 233.4 |
| Beef & veal | 221.3 | 216.0 | 233.8 | 219.7 | 246.2 | 234.0 | 236.5 | 232.3 | 225.5 | 226.7 |
| Pork | 223.8 | 250.9 | 262.8 | 262.9 | 298.7 | 282.2 | 298.1 | 271.8 | 238.4 | 218.6 |
| Processed poultry | 197.3 | 207.8 | 184.7 | 204.9 | 182.1 | 186.2 | 180.4 | 174.1 | 176.6 | 172.1 |
| Fish | 484.2 | 530.4 | 601.1 | 559.3 | 570.7 | 558.8 | 584.0 | 660.3 | 647.7 | 660.4 |
| Dairy products | 248.4 | 248.8 | 253.0 | 254.1 | 252.4 | 253.6 | 255.8 | 254.3 | 253.9 | 253.3 |
| Processed fruits & vegetables | 296.3 | 287.9 | 298.1 | 292.5 | 298.4 | 299.0 | 299.0 | 296.8 | 298.3 | 303.1 |
| Shortening & cooking oils | 290.6 | 242.4 | 243.8 | 236.2 | 242.9 | 241.6 | 244.2 | 247.4 | 250.4 | 255.8 |
| Consumer finished goods less foods | 297.3 | 283.5 | 289.7 | 280.8 | 291.4 | 292.9 | 291.1 | 293.5 | 293.0 | 291.8 |
| Beverages, alcoholic | 213.0 | 217.8 | 218.3 | 218.0 | 217.1 | 217.8 | 216.6 | 217.9 | 217.5 | 218.2 |
| Soft drinks | 343.6 | 349.7 | 356.8 | 351.1 | 356.4 | 357.4 | 356.2 | 359.6 | 359.5 | 359.3 |
| Alcohol | 204.1 | 206.5 | 210.7 | 207.4 | 211.2 | 211.7 | 212.5 | 212.8 | 212.6 | 212.7 |
| Footwear | 256.7 | 261.8 | 267.9 | 264.0 | 268.6 | 270.2 | 271.9 | 271.8 | 270.0 | 273.8 |
| Tobacco products | 428.1 | 460.4 | 499.8 | 469.2 | 509.0 | 508.0 | 508.1 | 509.1 | 509.2 | 527.5 |
| Intermediate materials 2/ | 318.7 | 307.6 | 315.2 | 305.0 | 316.9 | 318.2 | 318.8 | 320.0 | 321.3 | 322.0 |
| Materials for food manufacturing | 258.8 | 251.0 | 257.0 | 253.2 | 262.0 | 258.8 | 261.9 | 259.4 | 255.9 | 254.5 |
| Flour | 183.0 | 173.4 | 170.3 | 165.0 | 167.7 | 167.0 | 171.1 | 173.4 | 171.3 | 171.1 |
| Refined sugar 3/ | 165.6 | 166.4 | 171.4 | 169.4 | 172.7 | 172.4 | 172.6 | 172.7 | 172.1 | 172.0 |
| Crude vegetable oils | 219.6 | 135.8 | 134.1 | 122.4 | 131.4 | 126.9 | 127.7 | 137.9 | 142.0 | 148.2 |
| Crude materials 4/ | 306.1 | 280.3 | 299.2 | 277.0 | 306.8 | 308.4 | 305.4 | 304.3 | 302.2 | 301.3 |
| Foodstuffs & feedstuffs | 235.0 | 231.0 | 238.3 | 233.5 | 243.8 | 240.6 | 238.8 | 237.7 | 235.8 | 237.5 |
| Fruits & vegetables 5/ | 260.5 | 261.2 | 270.2 | 272.1 | 284.6 | 252.3 | 257.3 | 255.0 | 312.0 | 286.7 |
| Grains | 202.8 | 167.2 | 149.9 | 149.7 | 145.0 | 133.6 | 146.5 | 153.5 | 158.0 | 166.3 |
| Livestock | 229.9 | 236.1 | 262.5 | 246.4 | 276.6 | 274.6 | 266.6 | 262.7 | 248.3 | 251.4 |
| Poultry, live | 226.2 | 248.8 | 194.3 | 239.7 | 196.3 | 213.4 | 192.5 | 169.8 | 180.2 | 168.3 |
| Fibers, plant & animal | 197.8 | 179.3 | 216.0 | 176.7 | 243.7 | 250.5 | 240.5 | 221.0 | 213.2 | 203.9 |
| Fluid milk | 264.6 | 256.9 | 259.5 | 271.4 | 253.5 | 257.3 | 261.8 | 263.2 | 263.0 | 258.6 |
| Oilseeds | 202.7 | 196.2 | 212.9 | 196.4 | 221.0 | 213.0 | 207.4 | 208.5 | 216.1 | 228.5 |
| Tobacco, leaf | 274.1 | 243.0 | 232.2 | 230.8 | 223.8 | 223.8 | 239.6 | 241.4 | 239.6 | 239.6 |
| Sugar, raw cane | 291.3 | 292.2 | 307.0 | 294.5 | 310.8 | 309.5 | 308.9 | 307.9 | 306.6 | 305.8 |
| All commodities | 308.7 | 299.8 | 307.7 | 298.5 | 309.8 | 310.6 | 310.4 | 311.4 | 311.9 | 311.7 |
| Industrial commodities | 323.8 | 312.1 | 320.4 | 309.8 | 322.1 | 323.8 | 323.3 | 324.9 | 325.4 | 325.3 |
| All foods 6/ | 264.5 | 268.4 | 274.4 | 273.2 | 278.3 | 274.1 | 276.8 | 275.0 | 276.0 | 273.2 |
| Farm products & | | | | | | | | | | |
| Processed foods & feeds | 250.5 | 252.0 | 258.1 | 254.7 | 261.9 | 258.9 | 260.0 | 258.7 | 258.9 | 258.6 |
| Farm products | 230.5 | 224.7 | 231.2 | 227.4 | 237.2 | 231.9 | 232.1 | 228.0 | 232.6 | 231.2 |
| Processed foods & feeds 6/ | 260.4 | 265.1 | 271.3 | 268.2 | 274.1 | 272.2 | 273.7 | 273.4 | 271.9 | 272.1 |
| Cereal & bakery products | 279.9 | 281.8 | 285.8 | 279.4 | 283.9 | 285.7 | 287.0 | 290.6 | 282.2 | 296.0 |
| Sugar & confectionery | 291.0 | 295.7 | 303.7 | 299.7 | 306.5 | 307.2 | 306.6 | 306.2 | 305.5 | 304.8 |
| Beverages | 276.6 | 294.3 | 289.1 | 292.4 | 288.1 | 288.5 | 285.8 | 288.3 | 288.4 | 288.1 |

1/ Commodities ready for sale to ultimate consumer. 2/ Commodities requiring further processing to become finished goods. 3/ All types and sizes of refined sugar. (Dec. 1977=100). 4/ Products entering market for the first time which have not been manufactured at that point. 5/ Fresh and dried. 6/ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). (1977=100). P = preliminary. R = revised.

Information contact: Bureau of Labor Statistics (202) 523-1913.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

| | Annual | | | | 1986 | | 1987 | | | | | |
|-------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 1984 | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec | |
| Market basket 1/ | | | | | | | | | | | | |
| Retail cost (1967=100) | 278.3 | 282.6 | 288.7 | 303.1 | 294.8 | 305.2 | 305.0 | 305.8 | 305.7 | 305.1 | 306.5 | |
| Farm value (1967=100) | 255.4 | 237.2 | 234.1 | 240.4 | 241.3 | 247.8 | 243.4 | 243.2 | 235.6 | 237.1 | 232.9 | |
| Farm-retail spread (1967=100) | 293.3 | 309.3 | 320.8 | 340.0 | 326.3 | 338.9 | 341.3 | 342.6 | 346.9 | 345.1 | 349.8 | |
| Farm value/retail cost (%) | 33.9 | 31.1 | 30.0 | 29.4 | 30.3 | 30.1 | 29.5 | 29.4 | 28.5 | 28.8 | 28.1 | |
| Meat Products | | | | | | | | | | | | |
| Retail cost (1967=100) | 268.1 | 265.5 | 273.9 | 294.2 | 286.3 | 298.8 | 301.0 | 300.7 | 300.2 | 298.4 | 296.4 | |
| Farm value (1967=100) | 241.5 | 221.8 | 229.1 | 245.9 | 240.0 | 268.6 | 257.6 | 255.4 | 248.2 | 231.3 | 327.0 | |
| Farm-retail spread (1967=100) | 299.1 | 316.6 | 326.2 | 350.7 | 340.5 | 336.3 | 351.8 | 353.7 | 361.1 | 377.0 | 377.0 | |
| Farm value/retail cost (%) | 48.6 | 45.1 | 45.1 | 45.1 | 45.2 | 48.3 | 46.2 | 45.8 | 44.6 | 41.8 | 41.3 | |
| Dairy Products | | | | | | | | | | | | |
| Retail cost (1967=100) | 253.2 | 258.0 | 258.4 | 264.6 | 262.2 | 263.2 | 264.2 | 266.0 | 267.2 | 267.2 | 268.8 | |
| Farm value (1967=100) | 258.8 | 248.2 | 241.5 | 244.2 | 254.4 | 238.8 | 244.1 | 244.9 | 247.3 | 244.9 | 243.9 | |
| Farm-retail spread (1967=100) | 248.3 | 266.5 | 273.3 | 282.5 | 269.0 | 284.6 | 281.9 | 284.5 | 284.7 | 286.8 | 286.9 | |
| Farm value/retail cost (%) | 47.8 | 45.0 | 43.7 | 43.2 | 45.4 | 42.4 | 43.2 | 43.1 | 43.3 | 42.9 | 42.7 | |
| Poultry | | | | | | | | | | | | |
| Retail cost (1967=100) | 218.5 | 216.4 | 232.7 | 229.3 | 241.9 | 226.1 | 230.0 | 229.1 | 227.8 | 219.8 | 218.7 | |
| Farm value (1967=100) | 249.8 | 234.9 | 255.4 | 206.5 | 228.4 | 202.6 | 219.8 | 201.7 | 182.0 | 194.1 | 190.6 | |
| Farm-retail spread (1967=100) | 188.1 | 198.4 | 210.8 | 251.4 | 255.0 | 248.8 | 239.9 | 255.7 | 272.1 | 244.6 | 247.9 | |
| Farm value/retail cost (%) | 56.3 | 53.4 | 54.0 | 44.3 | 46.4 | 44.1 | 47.0 | 43.3 | 39.3 | 43.4 | 42.7 | |
| Eggs | | | | | | | | | | | | |
| Retail cost (1967=100) | 209.0 | 174.3 | 186.3 | 175.5 | 198.6 | 168.2 | 164.4 | 187.0 | 175.1 | 179.9 | 163.8 | |
| Farm value (1967=100) | 230.3 | 178.9 | 192.7 | 160.2 | 208.8 | 149.9 | 146.5 | 183.7 | 148.2 | 168.0 | 139.2 | |
| Farm-retail spread (1967=100) | 178.2 | 167.6 | 177.1 | 197.7 | 183.9 | 184.6 | 190.3 | 191.8 | 213.9 | 187.0 | 189.4 | |
| Farm value/retail cost (%) | 65.1 | 60.7 | 61.1 | 53.9 | 62.1 | 52.7 | 52.6 | 58.1 | 50.0 | 55.2 | 50.2 | |
| Cereal & bakery Products | | | | | | | | | | | | |
| Retail cost (1967=100) | 305.3 | 317.0 | 325.8 | 336.9 | 329.5 | 338.4 | 338.8 | 338.9 | 339.5 | 341.2 | 343.2 | |
| Farm value (1967=100) | 192.0 | 175.9 | 142.3 | 131.3 | 127.0 | 123.3 | 124.0 | 130.8 | 134.6 | 142.0 | 137.7 | |
| Farm-retail spread (1967=100) | 328.7 | 348.2 | 363.7 | 379.5 | 371.4 | 382.9 | 383.3 | 382.0 | 381.9 | 382.4 | 385.7 | |
| Farm value/retail cost (%) | 10.8 | 9.5 | 7.5 | 6.7 | 6.6 | 6.2 | 6.3 | 6.6 | 6.8 | 7.1 | 6.9 | |
| Fresh Fruits | | | | | | | | | | | | |
| Retail cost (1967=100) | 345.3 | 383.5 | 390.1 | 444.0 | 379.8 | 458.9 | 452.0 | 451.2 | 466.9 | 430.5 | 416.4 | |
| Farm value (1967=100) | 315.1 | 302.7 | 285.3 | 290.3 | 309.5 | 289.5 | 242.4 | 273.0 | 293.4 | 324.4 | 323.8 | |
| Farm-retail spread (1967=100) | 358.9 | 419.8 | 437.1 | 513.0 | 411.3 | 536.4 | 546.1 | 531.2 | 544.8 | 478.1 | 458.0 | |
| Farm value/retail cost (%) | 28.3 | 24.4 | 22.7 | 20.3 | 25.2 | 19.5 | 16.6 | 18.8 | 19.5 | 23.4 | 24.1 | |
| Fresh vegetables | | | | | | | | | | | | |
| Retail cost (1967=100) | 331.8 | 317.5 | 330.3 | 372.0 | 342.5 | 371.0 | 351.3 | 351.5 | 345.0 | 371.8 | 430.0 | |
| Farm value (1967=100) | 298.7 | 256.7 | 248.1 | 309.4 | 251.3 | 318.0 | 317.6 | 291.3 | 237.5 | 401.2 | 361.8 | |
| Farm-retail spread (1967=100) | 347.4 | 346.1 | 369.0 | 401.3 | 385.4 | 395.9 | 367.1 | 379.8 | 395.6 | 358.0 | 462.3 | |
| Farm value/retail cost (%) | 28.8 | 25.9 | 24.0 | 26.6 | 23.5 | 27.4 | 28.9 | 26.5 | 22.0 | 34.5 | 26.9 | |
| Processed fruits & vegetables | | | | | | | | | | | | |
| Retail cost (1967=100) | 306.1 | 314.1 | 309.1 | 319.6 | 308.8 | 321.0 | 323.0 | 323.2 | 322.0 | 321.8 | 323.1 | |
| Farm value (1967=100) | 343.5 | 378.5 | 326.3 | 354.4 | 344.3 | 343.2 | 340.0 | 343.2 | 335.3 | 338.1 | 377.1 | |
| Farm-retail spread (1967=100) | 297.8 | 289.9 | 305.3 | 311.9 | 300.9 | 316.1 | 319.2 | 318.8 | 319.0 | 318.2 | 311.1 | |
| Farm value/retail cost (%) | 20.3 | 21.8 | 19.1 | 20.1 | 20.2 | 19.4 | 19.1 | 19.2 | 18.9 | 19.0 | 21.2 | |
| Fats & oils | | | | | | | | | | | | |
| Retail cost (1967=100) | 288.0 | 294.4 | 287.8 | 291.9 | 286.0 | 292.9 | 292.6 | 291.2 | 280.1 | 291.8 | 291.0 | |
| Farm value (1967=100) | 324.8 | 271.3 | 199.1 | 192.8 | 184.1 | 189.7 | 189.7 | 186.3 | 194.5 | 195.9 | 202.8 | |
| Farm-retail spread (1967=100) | 273.8 | 303.3 | 321.9 | 330.0 | 325.2 | 332.6 | 332.2 | 331.5 | 326.9 | 328.7 | 324.9 | |
| Farm value/retail cost (%) | 31.3 | 28.6 | 19.4 | 18.4 | 17.9 | 18.0 | 18.0 | 17.8 | 18.6 | 18.6 | 19.4 | |

| | Annual | | | | 1986 | | 1987 | | | | | |
|----------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 1984 | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec | |
| Beef, Choice | | | | | | | | | | | | |
| Retail price 2/ (cts/lb) | 239.6 | 232.6 | 230.7 | 242.5 | 234.8 | 248.2 | 245.4 | 245.5 | 245.7 | 246.6 | 245.3 | |
| Net carcass value 3/ (cts) | 147.6 | 135.2 | 133.1 | 145.3 | 136.3 | 148.8 | 142.6 | 144.9 | 144.6 | 142.4 | 141.1 | |
| Net farm value 4/ (cts) | 140.0 | 126.8 | 124.4 | 137.9 | 128.3 | 139.1 | 136.3 | 137.6 | 137.1 | 136.1 | 134.6 | |
| Farm-retail spread (cts) | 98.6 | 105.8 | 106.3 | 104.6 | 106.5 | 109.1 | 109.1 | 107.9 | 108.6 | 110.5 | 110.7 | |
| Carcass-retail spread 5/ (cts) | 92.0 | 97.4 | 97.6 | 97.2 | 98.5 | 99.4 | 102.8 | 100.6 | 101.1 | 104.2 | 104.2 | |
| Farm-carcass spread 6/ (ctd) | 7.6 | 8.4 | 8.7 | 7.4 | 8.0 | 9.7 | 6.3 | 7.3 | 7.5 | 6.3 | 6.5 | |
| Farm value/retail price (%) | 58 | 55 | 54 | 57 | 55 | 56 | 56 | 56 | 56 | 55 | 55 | |
| Pork | | | | | | | | | | | | |
| Retail price 2/ (cts/lb) | 162.0 | 162.0 | 178.4 | 188.4 | 191.3 | 183.6 | 186.2 | 196.9 | 194.4 | 189.2 | 185.6 | |
| Wholesale value 3/ (cts) | 110.1 | 101.1 | 110.9 | 113.0 | 113.5 | 126.2 | 127.0 | 119.8 | 112.7 | 103.1 | 106.5 | |
| Net farm value 4/ (cts) | 77.4 | 71.4 | 82.4 | 82.7 | 81.4 | 98.8 | 96.8 | 87.8 | 77.8 | 65.0 | 66.2 | |
| Farm-retail spread (cts) | 84.6 | 90.6 | 96.0 | 105.7 | 109.8 | 94.8 | 89.4 | 109.1 | 116.6 | 124.2 | 119.4 | |
| Wholesale-retail spread 5/ (cts) | 51.9 | 60.9 | 67.5 | 75.4 | 77.8 | 67.4 | 68.2 | 77.1 | 81.7 | 86.1 | 79.1 | |
| Farm-wholesale spread 6/ (cts) | 32.7 | 29.7 | 28.5 | 30.3 | 32.1 | 27.4 | 30.2 | 32.0 | 34.9 | 38.1 | 40.3 | |
| Farm value/retail price (%) | 48 | 44 | 46 | 44 | 43 | 51 | 49 | 45 | 40 | 34 | 36 | |

1/ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. 2/ Estimated weighted average price of retail cuts from pork and choice yield Grade 3 beef carcasses. Retail cut prices from BLS. 3/ Value of carcass quantity (beef) and wholesale cuts (pork) equivalent to 1 lb. of retail cuts; beef adjusted for value of fat and bone byproducts. 4/ Market value to producer for quantity of live animal equivalent to 1 lb. of retail cuts minus value of byproducts. 5/ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. 6/ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditures, Statistical Bulletin 749, ERS, USDA.

Information contacts: Denis Dunham (202) 786-1870, Ron Gustafson (202) 786-1286.

Table 9.—Price Indexes of Food Marketing Costs

| | Annual | | | 1986 | | 1987 | | | |
|------------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1985 | 1986 | 1987 | III | IV | I | II | III | IV P |
| | 1967=100 | | | | | | | | |
| Labor-hourly earnings and benefits | 363.0 | 359.8 | 367.7 | 356.0 | 359.1 | 366.5 | 366.7 | 366.4 | 367.4 |
| Processing | 357.9 | 365.8 | 377.4 | 362.3 | 366.8 | 375.3 | 376.4 | 373.3 | 384.7 |
| Wholesaling | 382.7 | 373.0 | 393.4 | 371.5 | 376.6 | 392.1 | 391.6 | 393.5 | 396.4 |
| Retailing | 364.1 | 348.0 | 346.6 | 342.7 | 343.7 | 346.5 | 346.0 | 347.0 | 347.0 |
| Packaging & containers | 312.1 | 317.4 | 329.8 | 318.3 | 320.6 | 325.0 | 328.1 | 330.9 | 335.5 |
| Paperboard boxes & containers | 271.6 | 269.1 | 288.0 | 270.1 | 273.7 | 281.5 | 285.5 | 288.8 | 296.1 |
| Metal cans | 416.8 | 430.1 | 433.0 | 430.2 | 430.2 | 431.3 | 433.5 | 433.5 | 433.5 |
| Paper bags & related products | 294.7 | 307.9 | 331.3 | 308.8 | 316.7 | 322.4 | 328.8 | 333.5 | 340.6 |
| Plastic films & bottles | 274.4 | 274.8 | 280.2 | 275.1 | 274.7 | 277.2 | 278.0 | 280.2 | 285.3 |
| Glass containers | 380.0 | 398.0 | 402.0 | 401.9 | 400.5 | 402.5 | 403.3 | 401.4 | 400.8 |
| Metal foil | 213.8 | 209.3 | 222.1 | 209.1 | 210.3 | 210.2 | 213.1 | 226.3 | 238.7 |
| Transportation services | 393.9 | 391.7 | 385.0 | 392.2 | 386.4 | 384.1 | 385.3 | 385.4 | 385.3 |
| Advertising | 320.2 | 339.7 | 361.1 | 341.6 | 345.6 | 354.9 | 359.0 | 363.2 | 367.2 |
| Fuel & power | 700.0 | 590.2 | 596.7 | 569.8 | 562.5 | 581.7 | 591.1 | 609.9 | 604.2 |
| Electric | 453.5 | 457.9 | 450.5 | 466.8 | 448.7 | 440.9 | 448.6 | 466.0 | 446.5 |
| Petroleum | 821.5 | 499.8 | 561.4 | 414.8 | 446.2 | 520.5 | 541.3 | 582.4 | 601.2 |
| Natural gas | 1,158.2 | 1,096.9 | 1,049.0 | 1,106.1 | 1,062.1 | 1,061.2 | 1,057.3 | 1,043.9 | 1,033.5 |
| Communications, water & sewage | 224.9 | 236.1 | 238.4 | 238.8 | 238.3 | 236.9 | 237.7 | 239.7 | 239.5 |
| Rent | 268.3 | 273.8 | 279.4 | 275.3 | 275.9 | 276.2 | 279.2 | 280.6 | 281.4 |
| Maintenance & repair | 360.3 | 368.5 | 382.6 | 369.1 | 373.5 | 377.5 | 379.7 | 385.1 | 387.9 |
| Business services | 321.9 | 334.1 | 346.1 | 335.8 | 338.5 | 341.8 | 345.3 | 346.8 | 350.6 |
| Supplies | 287.9 | 282.8 | 286.8 | 280.6 | 281.0 | 283.6 | 286.2 | 287.0 | 290.3 |
| Property taxes & insurance | 362.0 | 382.3 | 399.6 | 384.2 | 389.0 | 392.6 | 397.3 | 400.9 | 407.7 |
| Interest, short-term | 157.2 | 125.1 | 132.9 | 115.3 | 112.1 | 116.4 | 134.0 | 137.5 | 143.5 |
| Total marketing cost index | 358.6 | 355.0 | 363.2 | 352.7 | 354.3 | 359.9 | 362.0 | 363.7 | 366.8 |

* Indexes measure changes in employee earnings and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. P = preliminary.

Information contact: Denis Dunham (202) 786-1870.

Livestock and Products

Table 10.—U.S. Meat Supply & Use

| Item | Beg. stocks | Pro- duc- tion 1/ | Im- ports | Total supply | Ex- ports | Ship- ments | Milli- tary con- sump- tion | Ending stocks | Civilian consumption | | Primary market Price 3/ |
|---------------------|----------------|----------------------------|--------------|-----------------|--------------|----------------|---|------------------|-------------------------|------------------|-------------------------------|
| | | | | | | | | | Total | Per capita 2/ | |
| | | | | | | | | | | | |
| Million pounds 4/ | | | | | | | | | | | |
| Beef: | | | | | | | | | | | |
| 1985 | 358 | 23,728 | 2,071 | 26,157 | 328 | 51 | 115 | 317 | 25,346 | 79.1 | 58.37 |
| 1986 | 317 | 24,371 | 2,129 | 26,817 | 521 | 52 | 110 | 311 | 25,823 | 78.8 | 57.75 |
| 1987 | 311 | 23,584 | 2,250 | 26,145 | 630 | 56 | 105 | 300 | 25,054 | 75.7 | 64-65 |
| 1988 F | 300 | 22,508 | 2,275 | 25,083 | 500 | 60 | 110 | 325 | 24,088 | 72.1 | 62-68 |
| Pork: | | | | | | | | | | | |
| 1985 | 274 | 14,807 | 1,128 | 16,209 | 128 | 131 | 70 | 229 | 15,651 | 62.1 | 44.77 |
| 1986 | 229 | 14,063 | 1,122 | 15,414 | 86 | 132 | 74 | 197 | 14,926 | 58.6 | 51.19 |
| 1987 | 197 | 14,379 | 1,200 | 15,776 | 100 | 127 | 75 | 280 | 15,203 | 59.1 | 51-52 |
| 1988 F | 280 | 15,340 | 1,300 | 16,920 | 120 | 140 | 80 | 275 | 16,305 | 62.8 | 37-43 |
| Veal: | | | | | | | | | | | |
| 1985 | 14 | 515 | 20 | 549 | 4 | 1 | 7 | 11 | 526 | 1.8 | 62.42 |
| 1986 | 11 | 524 | 27 | 562 | 5 | 1 | 6 | 7 | 544 | 1.9 | 60.89 |
| 1987 | 7 | 434 | 25 | 466 | 16 | 1 | 7 | 7 | 447 | 1.5 | 78-79 |
| 1988 F | 7 | 415 | 25 | 447 | 5 | 1 | 7 | 7 | 427 | 1.5 | 75-81 |
| Lamb and mutton: | | | | | | | | | | | |
| 1985 | 7 | 358 | 36 | 401 | 1 | 2 | 0 | 13 | 385 | 1.4 | 68.61 |
| 1986 | 13 | 338 | 41 | 392 | 2 | 2 | 0 | 13 | 376 | 1.4 | 69.46 |
| 1987 | 13 | 315 | 45 | 372 | 1 | 2 | 0 | 8 | 361 | 1.3 | 78-79 |
| 1988 F | 8 | 327 | 50 | 395 | 2 | 1 | 0 | 9 | 373 | 1.4 | 70-76 |
| Total red meat: | | | | | | | | | | | |
| 1985 | 653 | 39,408 | 3,255 | 43,316 | 461 | 185 | 192 | 570 | 41,908 | 144.5 | NA |
| 1986 | 570 | 39,296 | 3,319 | 43,185 | 613 | 187 | 190 | 528 | 41,670 | 141.7 | NA |
| 1987 | 528 | 38,714 | 3,520 | 42,761 | 737 | 186 | 177 | 575 | 41,087 | 137.7 | NA |
| 1988 F | 580 | 38,590 | 3,650 | 42,820 | 627 | 202 | 197 | 616 | 41,178 | 138.7 | NA |
| Broilers: | | | | | | | | | | | |
| 1985 | 20 | 13,762 | 0 | 13,781 | 417 | 143 | 34 | 27 | 13,161 | 55.5 | 50.8 |
| 1986 | 27 | 14,316 | 0 | 14,342 | 566 | 149 | 36 | 24 | 13,568 | 56.7 | 56.9 |
| 1987 | 24 | 15,538 | 0 | 15,562 | 786 | 146 | 32 | 25 | 14,572 | 60.3 | 47-48 |
| 1988 F | 25 | 16,332 | 0 | 16,357 | 800 | 140 | 36 | 25 | 15,356 | 63.0 | 40-46 |
| Mature chicken: | | | | | | | | | | | |
| 1985 | 119 | 636 | 0 | 755 | 21 | 1 | 2 | 144 | 587 | 2.5 | NA |
| 1986 | 144 | 629 | 0 | 773 | 16 | 3 | 2 | 163 | 589 | 2.5 | NA |
| 1987 | 163 | 655 | 0 | 818 | 16 | 3 | 2 | 213 | 583 | 2.4 | NA |
| 1988 F | 213 | 664 | 0 | 878 | 30 | 4 | 1 | 160 | 683 | 2.8 | NA |
| Turkeys: | | | | | | | | | | | |
| 1985 | 125 | 2,942 | 0 | 3,067 | 27 | 7 | 13 | 150 | 2,870 | 12.1 | 75.5 |
| 1986 | 150 | 3,271 | 0 | 3,422 | 27 | 4 | 10 | 178 | 3,202 | 13.4 | 72.2 |
| 1987 | 178 | 3,855 | 0 | 4,033 | 32 | 5 | 16 | 284 | 3,697 | 15.3 | 57-58 |
| 1988 F | 300 | 4,281 | 0 | 4,585 | 30 | 4 | 16 | 200 | 4,265 | 17.5 | 51-57 |
| Total poultry: | | | | | | | | | | | |
| 1985 | 264 | 17,340 | 0 | 17,604 | 465 | 151 | 49 | 321 | 16,619 | 70.1 | NA |
| 1986 | 321 | 18,216 | 0 | 18,537 | 609 | 156 | 47 | 365 | 17,359 | 72.5 | NA |
| 1987 | 365 | 20,062 | 0 | 20,428 | 834 | 153 | 51 | 523 | 19,867 | 78.0 | NA |
| 1988 F | 480 | 21,277 | 0 | 21,800 | 860 | 148 | 53 | 435 | 20,304 | 83.2 | NA |
| Red meat & poultry: | | | | | | | | | | | |
| 1985 | 917 | 56,748 | 3,255 | 60,920 | 926 | 336 | 241 | 891 | 58,526 | 214.6 | NA |
| 1986 | 891 | 57,512 | 3,319 | 61,722 | 1,222 | 343 | 236 | 892 | 59,029 | 214.3 | NA |
| 1987 | 892 | 58,756 | 3,520 | 63,168 | 1,571 | 339 | 228 | 1,103 | 59,928 | 216.7 | NA |
| 1988 F | 1,103 | 59,867 | 3,650 | 64,620 | 1,487 | 350 | 250 | 1,051 | 61,471 | 221.9 | NA |

1/ Total including farm production for red meats and federally inspected plus non-federally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was changed from .74 to .73 beginning in 1986.) 3/ Dollars per cut for red meat; cents per pound for poultry. Beef: Choice steers, Omaha 900-1,100 lb.; pork: barrows and gilts, 7 markets; veal: farm price of calves; lamb and mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats and certified ready-to-cook for poultry. F = forecast. NA = not available.

Information contacts: Ron Gustafson, Leland Southerd, or Mark Weimar (202) 786-1285.

Table 11.—U.S. Egg Supply & Use

| | Beg. stocks | Pro-duction | Im-ports | Total supply | Ex-ports | Ship-ments | Milli-tary use | Hatch-ing use | Ending stocks | Civilian consumption | | Wholesale price* | | |
|---------------|-------------|-------------|----------|--------------|----------|------------|----------------|---------------|---------------|----------------------|------------|------------------|----|---------|
| | | | | | | | | | | Total | Per Capita | | | |
| | | | | | | | | | | | | | No | Cts/doz |
| | | | | | | | | | | | | | | |
| Million dozen | | | | | | | | | | | | | | |
| 1983 | 20.3 | 5,659.2 | 23.4 | 5,703.0 | 85.8 | 26.6 | 25.1 | 500.0 | 9.3 | 5,056.2 | 260.8 | 75.2 | | |
| 1984 | 9.3 | 5,708.2 | 32.0 | 5,749.5 | 58.2 | 27.8 | 17.6 | 529.7 | 11.1 | 5,105.1 | 260.9 | 80.9 | | |
| 1985 | 11.1 | 5,688.0 | 12.7 | 5,711.8 | 70.6 | 30.3 | 20.2 | 548.1 | 10.7 | 5,031.8 | 254.7 | 66.4 | | |
| 1986 | 10.7 | 5,705.0 | 13.7 | 5,729.4 | 101.6 | 28.0 | 17.5 | 565.9 | 10.4 | 5,005.1 | 250.9 | 71.1 | | |
| 1987 | 10.4 | 5,795.7 | 5.8 | 5,811.9 | 106.8 | 23.1 | 18.1 | 593.9 | 10.0 | 5,053.3 | 250.9 | 61.6 | | |
| 1988 F | 15.0 | 5,765.0 | 4.0 | 5,784.0 | 110.0 | 24.0 | 20.0 | 625.0 | 10.0 | 4,995.0 | 245.7 | 57-63 | | |

^a Cartoned Grade A large eggs in New York. F = forecast. Information contact: Mark Weimar (202) 786-1714.

Table 12.—U.S. Milk Supply & Use¹

| Calendar year | Pro-duction | Farm use | Commercial | | | | Total commercial supply | CCC net re-movals | Commercial | | All milk price 2/ |
|---------------|-------------|----------|------------------|-------------|----------|---------------|-------------------------|-------------------|-----------------|-------|-------------------|
| | | | Farm market-ings | Beg. stocks | Im-ports | Ending stocks | | | Disap-pear-ance | | |
| | | | Billion pounds | | | | | | | | |
| 1981 | 132.8 | 2.3 | 130.5 | 5.8 | 2.3 | 138.5 | 12.9 | 5.4 | 120.3 | 13.77 | |
| 1982 | 135.5 | 2.4 | 133.1 | 5.4 | 2.5 | 141.0 | 14.3 | 4.6 | 122.1 | 13.61 | |
| 1983 | 139.7 | 2.4 | 137.3 | 4.6 | 2.6 | 144.5 | 16.8 | 5.2 | 122.5 | 13.58 | |
| 1984 | 135.4 | 2.9 | 132.5 | 5.2 | 2.7 | 140.5 | 8.6 | 4.9 | 126.9 | 13.46 | |
| 1985 | 143.1 | 2.5 | 140.7 | 4.9 | 2.8 | 148.4 | 13.2 | 4.6 | 130.6 | 12.75 | |
| 1986 | 144.1 | 2.6 | 141.5 | 4.6 | 2.7 | 149.1 | 10.6 | 4.2 | 134.0 | 12.51 | |
| 1987 P | 142.9 | 2.5 | 140.4 | 4.2 | 2.6 | 147.2 | 6.7 | 4.5 | 136.0 | 12.53 | |
| 1988 F | 145.5 | 2.4 | 143.1 | 4.5 | 2.6 | 150.2 | 6.0 | 4.7 | 139.5 | 11.80 | |

1/ Milkfat basis. Totals may not add because of rounding. 2/ Delivered to plants and dealers; does not reflect deductions. P = Preliminary. F = forecast.

Information contact: Jim Miller (202) 786-1830

Table 13.—Poultry & Eggs

| | Annual | | | 1986 | | 1987 | | | | | |
|---|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|--|
| | 1985 | 1986 | 1987 P | Dec | July | Aug | Sept | Oct | Nov | Dec | |
| Broilers | | | | | | | | | | | |
| Federally inspected slaughter, certified (mil lb) | 13,569.2 | 14,265.6 | 15,488.1 | 1,252.2 | 1,337.9 | 1,257.0 | 1,370.7 | 1,381.4 | 1,177.1 | 1,332.4 | |
| Wholesale price, 12-city, (cts/lb) | 50.8 | 56.9 | 47.4 | 50.0 | 47.0 | 52.6 | 46.4 | 43.2 | 44.6 | 39.8 | |
| Price of grower feed (\$/ton) | 197 | 187 | 224 | 175 | 194 | 182 | 190 | 194 | 196 | 197 | |
| Broiler-feed price ratio 1/ | 3.1 | 3.7 | 3.7 | 3.5 | 2.9 | 3.3 | 3.0 | 2.6 | 2.7 | 2.5 | |
| Stocks beginning of period (mil lb) | 19.7 | 26.6 | 30.7 | 22.5 | 24.2 | 21.8 | 24.7 | 28.3 | 27.3 | 24.1 | |
| Broiler-type chicks hatched (mil) 2/ | 4,803.8 | 5,013.3 | 535.1 | 437.3 | 458.9 | 449.9 | 430.7 | 438.8 | 420.2 | 465.5 | |
| Turkeys | | | | | | | | | | | |
| Federally inspected slaughter, certified (mil lb) | 2,800 | 3,133 | 3,715 | 248.2 | 358.8 | 356.9 | 383.3 | 411.0 | 373.5 | 296.4 | |
| Wholesale price, Eastern U.S., 8-16 lb. young hens (cts/lb) | 75.5 | 72.2 | 57.8 | 71.1 | 56.3 | 56.1 | 56.1 | 54.7 | 60.7 | 66.5 | |
| Price of turkey grower feed (\$/ton) | 212 | 215 | 256 | 215 | 214 | 217 | 220 | 214 | 217 | 218 | |
| Turkey-feed price ratio 1/ | 4.5 | 4.1 | 3.9 | 4.0 | 3.1 | 2.9 | 2.8 | 2.8 | 3.1 | 3.6 | |
| Stocks beginning of period (mil lb) | 125.3 | 150.2 | 437.2 | 249.0 | 381.1 | 472.5 | 559.6 | 640.5 | 628.8 | 321.4 | |
| Poults placed in U.S. (mil) | 197.8 | 225.4 | 26.5 | 17.7 | 26.0 | 20.0 | 15.7 | 15.7 | 17.7 | 19.9 | |
| Eggs | | | | | | | | | | | |
| Farm production (mil) | 68,256 | 68,459 | 6,955 | 5,950 | 5,790 | 5,786 | 5,686 | 5,931 | 5,803 | 6,007 | |
| Average number of layers (mil) 3/ | 277 | 278 | 280 | 234 | 229 | 231 | 233 | 236 | 237 | 238 | |
| Rate of lay (eggs per layer on farms) 3/ | 247 | 248 | 248 | 21.2 | 20.8 | 20.8 | 20.2 | 21.0 | 20.4 | 21.2 | |
| Cartoned price, New York, grade A large (cts/doz) 4/ | 66.4 | 71.1 | 61.6 | 75.5 | 59.1 | 63.2 | 68.3 | 60.2 | 60.5 | 56.9 | |
| Price of laying feed (\$/ton) | 182 | 174 | 203 | 165 | 177 | 178 | 178 | 168 | 167 | 168 | |
| Egg-feed price ratio 1/ | 6.3 | 7.0 | 7.6 | 7.9 | 5.8 | 5.7 | 6.7 | 6.1 | 6.6 | 5.8 | |
| Stocks, first of month | | | | | | | | | | | |
| Shell (mil doz) | .93 | .72 | 1.16 | .87 | .96 | 1.02 | .96 | .99 | 1.53 | 1.20 | |
| Frozen (mil doz) | 10.2 | 10.0 | 14.5 | .99 | 12.9 | 13.1 | 13.3 | 12.5 | 13.6 | 13.1 | |
| Replacement chicks hatched (mil) | 407 | 425 | 43.1 | 33.3 | 33.5 | 35.3 | 32.5 | 34.2 | 31.0 | 31.6 | |

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks are currently reported for 12 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Monthly data only available for 20 States. 4/ Price of cartoned eggs to volume buyers for delivery to retailers. P = preliminary.

Information contact: Mark Weimar (202) 786-1830.

Table 14.—Dairy

| | Annual | | | 1986 | 1987 | | | | | |
|---|----------|----------|---------|--------|----------|----------|----------|----------|----------|----------|
| | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec |
| Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/ | 11.48 | 11.30 | 11.23 | 11.88 | 11.17 | 11.27 | 11.42 | 11.35 | 11.34 | 11.12 |
| Wholesale Prices | | | | | | | | | | |
| Butter, Grade A Chl. (cts/lb) | 141.1 | 144.5 | 140.2 | 145.5 | 149.0 | 148.1 | 145.3 | 136.8 | 135.6 | 134.0 |
| Am. cheese, Wis. assembly pt. (cts/lb) | 127.7 | 127.3 | 123.2 | 130.4 | 123.2 | 125.5 | 126.6 | 121.9 | 121.3 | 120.7 |
| Nonfat dry milk, (cts/lb) 2/ | 84.0 | 80.6 | 79.3 | 81.3 | 79.2 | 79.6 | 80.4 | 80.0 | 77.6 | 77.0 |
| USDA net removals | | | | | | | | | | |
| Total milk equiv. (mil lb) 3/ | 13,174.1 | 10,628.1 | 6,706.0 | 390.1 | 157.8 | 148.9 | 349.9 | 660.4 | 429.3 | 746.4 |
| Butter (mil lb) | 334.2 | 287.6 | 187.3 | 9.6 | -2 | 1.0 | 10.0 | 22.2 | 10.9 | 18.7 |
| Am. cheese (mil lb) | 629.0 | 468.4 | 282.0 | 19.0 | 15.7 | 12.2 | 14.0 | 19.8 | 20.4 | 36.1 |
| Nonfat dry milk (mil lb) | 940.6 | 827.3 | 559.4 | 46.8 | 53.2 | 39.6 | 33.7 | 30.4 | 24.2 | 42.4 |
| Milk | | | | | | | | | | |
| Milk prod 21 States (mil lb) | 121,043 | 122,185 | 121,740 | 9,717 | 10,433 | 10,270 | 9,887 | 10,044 | 9,646 | 10,047 |
| Milk per cow (lb) | 13,160 | 13,445 | 13,850 | 1,095 | 1,188 | 1,171 | 1,127 | 1,144 | 1,098 | 1,141 |
| Number of milk cows (thou) | 9,198 | 9,088 | 8,790 | 8,873 | 8,785 | 8,772 | 8,775 | 8,781 | 8,782 | 8,806 |
| U.S. milk production (mil lb) | 143,147 | 144,080 | 142,933 | 11,430 | 6/12,226 | 6/12,015 | 6/11,590 | 6/11,770 | 6/11,324 | 6/11,790 |
| Stock, beginning | | | | | | | | | | |
| Total (mil lb) | 16,704 | 13,695 | 12,867 | 13,994 | 12,724 | 11,770 | 10,580 | 9,981 | 8,762 | 8,082 |
| Commercial (mil lb) | 4,937 | 4,590 | 4,165 | 4,342 | 5,661 | 5,696 | 5,328 | 5,380 | 4,983 | 4,630 |
| Government (mil lb) | 11,767 | 9,105 | 8,702 | 9,652 | 7,063 | 6,074 | 5,252 | 4,602 | 3,779 | 3,452 |
| Imports, total (mil lb) 3/ | 2,777 | 2,733 | NA | 324 | 244 | 227 | 210 | 261 | 279 | NA |
| Commercial disappearance milk equiv. (mil lb) | 130,640 | 134,049 | NA | 11,324 | 12,060 | 12,244 | 11,187 | 11,551 | 11,316 | NA |
| Butter | | | | | | | | | | |
| Production (mil lb) | 1,247.8 | 1,202.4 | 1,113.4 | 109.4 | 76.2 | 67.6 | 78.1 | 90.2 | 88.2 | 109.4 |
| Stocks, beginning (mil lb) | 296.5 | 205.5 | 193.0 | 218.5 | 237.9 | 211.2 | 187.3 | 176.2 | 165.6 | 158.5 |
| Commercial disappearance (mil lb) | 918.2 | 922.9 | NA | 94.4 | 79.2 | 78.3 | 63.5 | 71.8 | 85.3 | NA |
| American cheese | | | | | | | | | | |
| Production (mil lb) | 2,855.2 | 2,798.2 | 2,740.9 | 217.7 | 240.6 | 208.5 | 206.5 | 217.6 | 210.2 | 231.7 |
| Stocks, beginning (mil lb) | 960.5 | 850.2 | 697.1 | 770.8 | 603.0 | 577.8 | 533.3 | 505.0 | 446.5 | 401.8 |
| Commercial disappearance (mil lb) | 2,279.1 | 2,382.8 | NA | 211.7 | 220.4 | 214.8 | 193.4 | 229.8 | 201.6 | NA |
| Other cheese | | | | | | | | | | |
| Production (mil lb) | 2,225.7 | 2,411.0 | 2,576.8 | 221.7 | 217.6 | 215.0 | 220.5 | 228.1 | 218.9 | 225.3 |
| Stocks, beginning (mil lb) | 101.4 | 94.1 | 92.0 | 91.5 | 94.4 | 95.2 | 96.7 | 95.4 | 97.0 | 92.8 |
| Commercial disappearance (mil lb) | 2,515.7 | 2,684.9 | NA | 254.4 | 242.3 | 235.2 | 244.7 | 253.6 | 254.8 | NA |
| Nonfat dry milk | | | | | | | | | | |
| Production (mil lb) | 1,390.0 | 1,284.1 | 1,039.2 | 89.4 | 98.6 | 80.0 | 65.7 | 65.6 | 65.0 | 89.3 |
| Stocks, beginning (mil lb) | 1,247.6 | 1,011.1 | 686.8 | 742.6 | 428.7 | 334.7 | 301.8 | 245.9 | 200.4 | 188.0 |
| Commercial disappearance (mil lb) | 435.0 | 479.1 | NA | 28.8 | 57.9 | 46.5 | 42.5 | 45.3 | 40.8 | NA |
| Frozen dessert | | | | | | | | | | |
| Production (mil gal) 4/ | 1,251.0 | 1,248.6 | 1,273.1 | 80.1 | 135.9 | 123.3 | 108.5 | 95.2 | 81.7 | 84.6 |
| | Annual | | | 1986 | | | 1987 | | | |
| | 1985 | 1986 | 1987 | II | III | IV | I | II | III | IV |
| Milk production (mil lb) | 143,147 | 144,080 | 142,933 | 38,350 | 35,610 | 33,947 | 34,877 | 37,341 | 35,831 | 34,884 |
| Milk per cow (lb) | 12,994 | 13,293 | 13,700 | 3,505 | 3,327 | 3,208 | 3,328 | 3,583 | 3,442 | 3,349 |
| No. of milk cows (thou) | 11,016 | 10,839 | 10,433 | 10,943 | 10,703 | 10,583 | 10,481 | 10,422 | 10,411 | 10,416 |
| Milk-feed price ratio 5/ | 1.72 | 1.73 | 1.83 | 1.64 | 1.72 | 1.91 | 1.88 | 1.76 | 1.80 | 1.89 |
| Returns over concentrate 5/ costs (\$/cwt milk) | 9.54 | 9.23 | 9.50 | 8.55 | 8.97 | 10.10 | 9.82 | 8.99 | 9.26 | 9.97 |

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area, high heat spray process.

3/ Milk-equivalent, fat-basis. 4/ Ice cream, ice milk, and hard sherbet. 5/ Based on average milk price after adjustment for price-support deductions. 6/ Estimated. NA = not available.

Information Contact: Jim Miller (202) 786-1770.

Table 15.—Wool

| | Annual | | | 1986 | 1987 | | | | | |
|--|---------|---------|---------|--------|-------|--------|--------|--------|--------|--------|
| | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec |
| U.S. wool price, Boston 1/ (cts/lb) | 192 | 191 | 265 | 190 | 270 | 300 | 295 | 300 | 300 | 300 |
| Imported wool price, Boston 2/ (cts/lb) | 197 | 201 | 247 | 208 | 243 | 261 | 244 | 259 | 274 | 278 |
| U.S. mill consumption, scoured | | | | | | | | | | |
| Apparel wool (thou lb) | 106,051 | 126,768 | 137,498 | 10,109 | 9,661 | 10,030 | 12,438 | 10,691 | 10,287 | 11,837 |
| Carpet wool (thou lb) | 10,562 | 9,960 | 13,091 | 534 | 1,162 | 1,412 | 1,174 | 1,414 | 1,063 | 707 |

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" and up. 2/ Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents.

Information Contact: John Lawler (202) 786-1840.

Table 16.—Meat Animals

| | Annual | | | 1986 | | 1987 | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec |
| Cattle on feed (7-States) | | | | | | | | | | |
| Number on feed (thou head) 1/ | 8,635 | 7,920 | 7,643 | 7,826 | 7,193 | 6,689 | 6,818 | 7,535 | 8,364 | 8,412 |
| Placed on feed (thou head) | 19,346 | 20,035 | 21,020 | 1,435 | 1,264 | 1,897 | 2,424 | 2,604 | 1,609 | 1,350 |
| Marketings (thou head) | 18,989 | 19,263 | 19,390 | 1,514 | 1,694 | 1,700 | 1,636 | 1,690 | 1,458 | 1,577 |
| Other disappearance (thou head) | 1,132 | 1,049 | 1,207 | 104 | 74 | 68 | 71 | 85 | 103 | 119 |
| Beef steer-corn Price ratio, Omaha 2/ | 23.3 | 31.0 | 41.0 | 38.9 | 41.0 | 44.0 | 42.8 | 41.2 | 38.4 | 36.7 |
| Hog-corn Price ratio, Omaha 2/ | 17.8 | 27.8 | 33.7 | 33.4 | 38.4 | 41.3 | 36.3 | 31.0 | 24.3 | 23.8 |
| Market prices (\$ per cwt) | | | | | | | | | | |
| Slaughter cattle: | | | | | | | | | | |
| Choice steers, Omaha | 58.37 | 57.75 | 64.60 | 59.82 | 65.80 | 64.50 | 64.81 | 64.81 | 64.20 | 63.93 |
| Utility cows, Omaha | 38.32 | 37.19 | 44.83 | 35.48 | 45.64 | 46.35 | 47.62 | 46.41 | 44.46 | 46.69 |
| Choice vealers, S. St. Paul | 58.28 | 59.92 | 78.74 | 67.50 | 77.50 | 79.22 | 80.25 | 82.50 | 82.50 | 83.00 |
| Feeder cattle: | | | | | | | | | | |
| Choice, Kansas City, 600-700 lb. | 64.56 | 62.79 | 75.36 | 65.00 | 76.20 | 79.38 | 81.50 | 77.00 | 79.50 | 78.90 |
| Slaughter hogs: | | | | | | | | | | |
| Barrows & gilts, 7-markets | 44.77 | 51.19 | 51.69 | 51.42 | 61.85 | 60.35 | 54.72 | 48.75 | 40.65 | 41.14 |
| Feeder pigs: | | | | | | | | | | |
| S. Mo. 40-50 lb. (per head) | 37.20 | 45.62 | 46.69 | 47.69 | 45.60 | 48.05 | 47.28 | 41.53 | 36.56 | 31.74 |
| Slaughter sheep & lambs: | | | | | | | | | | |
| Lambs, Choice, San Angelo | 58.61 | 69.46 | 78.09 | 73.33 | 76.83 | 71.83 | 70.05 | 66.25 | 65.00 | 73.83 |
| Ewes, Good, San Angelo | 34.02 | 34.78 | 38.62 | 38.00 | 36.62 | 38.67 | 39.81 | 37.13 | 37.83 | 39.88 |
| Feeder lambs: | | | | | | | | | | |
| Choice, San Angelo | 85.91 | 73.14 | 102.26 | 89.92 | 98.75 | 98.00 | 102.55 | 102.00 | 99.50 | 105.83 |
| Wholesale meat prices, Midwest | | | | | | | | | | |
| Choice steer beef, 600-700 lb. | 90.76 | 88.98 | 97.21 | 92.04 | 99.29 | 95.45 | 96.87 | 96.77 | 95.34 | 94.50 |
| Canner & Cutter cow beef | 74.13 | 71.31 | 83.70 | 69.58 | 84.51 | 85.63 | 86.82 | 83.80 | 83.41 | 88.45 |
| Pork loins, 8-14 lb. 3/ | 91.51 | 104.78 | 106.23 | 102.30 | 121.73 | 123.50 | 122.66 | 103.49 | 80.35 | 84.70 |
| Pork bellies, 12-14 lb. | 59.50 | 65.82 | 63.11 | 64.72 | 83.62 | 80.46 | 59.74 | 49.39 | 45.86 | 42.60 |
| Hams, skinned, 14-17 lb. | 67.50 | 80.01 | 80.96 | 87.43 | 79.93 | 86.15 | 93.58 | 97.81 | 96.36 | 91.98 |
| All fresh beef retail price 4/ | NA | NA | 212.92 | NA | 215.56 | 213.99 | 214.48 | 213.64 | 215.94 | 214.69 |
| Commercial slaughter (thou head)* | | | | | | | | | | |
| Cattle | 36,293 | 37,288 | 35,647 | 3,076 | 3,098 | 3,054 | 3,070 | 3,131 | 2,752 | 2,900 |
| Steers | 16,912 | 17,516 | 17,443 | 1,399 | 1,562 | 1,492 | 1,424 | 1,512 | 1,314 | 1,425 |
| Heifers | 11,237 | 11,097 | 10,906 | 875 | 915 | 958 | 1,055 | 962 | 817 | 868 |
| Cows | 7,391 | 7,960 | 6,608 | 746 | 561 | 547 | 527 | 593 | 570 | 555 |
| Bulls & stags | 758 | 715 | 690 | 55 | 60 | 58 | 64 | 64 | 51 | 51 |
| Calves | 3,385 | 3,408 | 2,836 | 289 | 232 | 214 | 243 | 249 | 223 | 253 |
| Sheep & lambs | 6,165 | 5,635 | 5,198 | 454 | 426 | 416 | 474 | 460 | 411 | 451 |
| Hogs | 84,492 | 79,898 | 81,090 | 6,796 | 6,187 | 6,176 | 7,030 | 7,723 | 7,321 | 7,815 |
| Commercial production (mil lb) | | | | | | | | | | |
| Beef | 23,557 | 24,213 | 23,406 | 1,971 | 2,017 | 2,005 | 2,041 | 2,098 | 1,829 | 1,925 |
| Veal | 499 | 509 | 422 | 41 | 34 | 30 | 36 | 37 | 32 | 36 |
| Lamb & mutton | 352 | 331 | 309 | 28 | 25 | 24 | 28 | 28 | 25 | 27 |
| Pork | 14,728 | 13,888 | 14,314 | 1,221 | 1,082 | 1,074 | 1,228 | 1,363 | 1,312 | 1,390 |

| | Annual | | | 1986 | | 1987 | | | | 1988 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | 1985 | 1986 | 1987 | III | IV | I | II | III | IV | I |
| Cattle on feed (13-States) | | | | | | | | | | |
| Number on feed (thou head) 1/ | 10,653 | 9,754 | 9,245 | 7,970 | 8,197 | 9,245 | 8,807 | 8,666 | 8,992 | 9,769 |
| Placed on feed (thou head) | 23,366 | 23,583 | 24,874 | 6,336 | 6,756 | 5,680 | 5,906 | 6,590 | 6,698 | NA |
| Marketings (thou head) | 22,887 | 22,856 | 22,971 | 5,876 | 5,396 | 5,747 | 5,619 | 6,022 | 5,583 | 6/5,875 |
| Other disappearance (thou head) | 1,378 | 1,236 | 1,379 | 233 | 312 | 371 | 428 | 242 | 338 | NA |
| Hogs & pigs (10-States) 5/ | | | | | | | | | | |
| Inventory (thou head) 1/ | 42,420 | 41,100 | 39,690 | 38,075 | 39,585 | 39,690 | 38,370 | 40,880 | 43,075 | 42,275 |
| Breeding (thou head) 1/ | 5,348 | 5,258 | 5,110 | 4,870 | 4,895 | 5,110 | 5,215 | 5,325 | 5,300 | 5,400 |
| Market (thou head) 1/ | 37,072 | 35,842 | 34,580 | 33,155 | 34,690 | 34,580 | 33,155 | 35,555 | 37,775 | 36,875 |
| Farrowings (thou head) | 8,831 | 8,223 | 8,783 | 2,074 | 2,115 | 1,967 | 2,352 | 2,257 | 2,258 | 6/2,113 |
| Pig crop (thou head) | 67,648 | 63,835 | 68,417 | 16,164 | 16,460 | 14,840 | 18,601 | 17,481 | 17,495 | NA |

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live-weight. 3/ Beginning January 1984 prices are for 14-17 lb.; January 1986 prices are for 14-18 lb. 4/ New series estimating the composite price of all beef grades and ground beef sold by retail stores. This new series is in addition to but does not replace the series for the retail price of choice beef that appears in table 8. 5/ Quarters are Dec. of preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). 6/ Intentions. *Classes estimated, NA = not available.

Information contacts: Ron Gustafson or Leland Southard (202) 786-1286.

Crops and Products

Table 17.—Supply & Utilization^{1,2}

| | Area | | | | | | Feed and resid- | Other domestic use | Ex- | Total use | Ending stocks | Farm price |
|---------------------|--------------|---------|-----------|----------|------------|-----------------|-----------------|--------------------------|-------|-----------|---------------|------------|
| | Set aside 3/ | Planted | Harvested | Yield | Production | Total supply 4/ | ual | | ports | | #stocks | 5/ |
| | Mill. acres | | | Bu./acre | | | | | | | | \$/bu |
| Wheat | | | | | | | | | | | | |
| 1982/83 | 5.8 | 86.2 | 77.8 | 35.5 | 2,765 | 3,932 | 195 | 713 | 1,509 | 2,417 | 1,515 | 3.45 |
| 1983/84 | 30.0 | 76.4 | 61.4 | 39.4 | 2,420 | 3,939 | 369 | 742 | 1,429 | 2,540 | 1,359 | 3.51 |
| 1984/85 | 18.6 | 79.2 | 66.9 | 38.8 | 2,595 | 4,003 | 405 | 749 | 1,424 | 2,578 | 1,425 | 3.39 |
| 1985/86* | 18.8 | 75.6 | 64.7 | 37.5 | 2,425 | 3,866 | 270 | 776 | 915 | 1,961 | 1,905 | 3.08 |
| 1986/87* | 21.0 | 72.1 | 60.7 | 34.4 | 2,092 | 4,018 | 385 | 808 | 1,004 | 2,197 | 1,821 | 2.42 |
| 1987/88* | 23.7 | 65.8 | 55.9 | 37.6 | 2,105 | 3,941 | 275 | 835 | 1,550 | 2,660 | 1,281 | 2.55-2.65 |
| Rice | | | | | | | | | | | | |
| | Mill. acres | | | lb./acre | | | | Mill. cwt (rough equiv.) | | | | \$/cwt |
| 1982/83 | 0.42 | 3.30 | 3.26 | 4,710 | 153.6 | 203.4 | -- | 6/52.9 | 68.9 | 131.8 | 71.5 | 7.91 |
| 1983/84 | 1.74 | 2.19 | 2.17 | 4,598 | 99.7 | 171.9 | -- | 6/54.9 | 70.3 | 125.0 | 46.9 | 8.57 |
| 1984/85 | .79 | 2.83 | 2.80 | 4,954 | 138.8 | 187.3 | -- | 6/60.5 | 62.1 | 122.6 | 64.7 | 8.04 |
| 1985/86* | 1.24 | 2.51 | 2.49 | 5,414 | 134.9 | 201.8 | -- | 6/65.8 | 58.7 | 124.5 | 77.3 | 6.53 |
| 1986/87* | 1.26 | 2.58 | 2.36 | 5,651 | 133.4 | 213.3 | -- | 6/76.3 | 85.4 | 161.7 | 51.6 | 3.75 |
| 1987/88* | 1.38 | 2.35 | 2.33 | 5,482 | 127.7 | 181.9 | -- | 6/78.8 | 78.0 | 157.8 | 24.1 | 7.00-8.00 |
| Corn | | | | | | | | | | | | |
| | Mill. acres | | | Bu./acre | | | | Mill. bu | | | | \$/bu |
| 1982/83 | 2.1 | 81.9 | 72.7 | 113.2 | 8,235 | 10,772 | 4,621 | 894 | 1,834 | 7,249 | 3,523 | 2.55 |
| 1983/84 | 32.2 | 60.2 | 51.5 | 81.1 | 4,175 | 1,700 | 3,819 | 875 | 1,901 | 6,694 | 1,006 | 3.21 |
| 1984/85 | 3.9 | 80.8 | 71.9 | 106.7 | 7,674 | 8,684 | 4,079 | 1,091 | 1,865 | 7,036 | 1,648 | 2.63 |
| 1985/86* | 8.4 | 83.4 | 75.2 | 118.0 | 8,877 | 10,536 | 4,095 | 1,160 | 1,241 | 6,496 | 4,040 | 2.23 |
| 1986/87* | 13.6 | 76.7 | 69.2 | 119.3 | 8,253 | 12,294 | 4,717 | 1,191 | 1,904 | 7,412 | 4,882 | 1.50 |
| 1987/88* | 21.1 | 65.7 | 59.2 | 119.4 | 7,064 | 11,948 | 4,900 | 1,225 | 1,700 | 7,825 | 4,123 | 1.65-1.85 |
| Sorghum | | | | | | | | | | | | |
| | Mill. acres | | | Bu./acre | | | | Mill. bu | | | | \$/bu |
| 1982/83 | 0.7 | 16.0 | 14.1 | 59.1 | 835 | 1,154 | 495 | 10 | 210 | 715 | 439 | 2.47 |
| 1983/84 | 5.7 | 11.9 | 10.0 | 48.7 | 488 | 927 | 385 | 10 | 245 | 640 | 287 | 2.74 |
| 1984/85 | .6 | 17.3 | 15.4 | 56.4 | 866 | 1,154 | 539 | 18 | 297 | 854 | 300 | 2.32 |
| 1985/86* | .9 | 18.3 | 16.8 | 66.8 | 1,120 | 1,420 | 664 | 28 | 178 | 869 | 551 | 1.93 |
| 1986/87* | 2.3 | 15.3 | 13.9 | 67.7 | 942 | 1,493 | 548 | 15 | 198 | 761 | 732 | 1.37 |
| 1987/88* | 3.8 | 11.8 | 10.6 | 69.9 | 741 | 1,472 | 550 | 15 | 225 | 790 | 682 | 1.50-1.75 |
| Barley | | | | | | | | | | | | |
| | Mill. acres | | | Bu./acre | | | | Mill. bu | | | | \$/bu |
| 1982/83 | 0.4 | 9.5 | 9.0 | 57.2 | 516 | 675 | 241 | 170 | 47 | 458 | 217 | 2.18 |
| 1983/84 | 1.1 | 10.4 | 9.7 | 52.3 | 509 | 733 | 282 | 170 | 92 | 544 | 189 | 2.47 |
| 1984/85 | .5 | 12.0 | 11.2 | 53.4 | 599 | 799 | 304 | 170 | 77 | 551 | 247 | 2.29 |
| 1985/86* | .7 | 13.2 | 11.6 | 51.0 | 591 | 848 | 333 | 169 | 22 | 523 | 325 | 1.98 |
| 1986/87* | 1.8 | 13.1 | 12.0 | 50.8 | 611 | 942 | 276 | 174 | 137 | 586 | 356 | 1.61 |
| 1987/88* | 2.9 | 11.0 | 10.0 | 52.6 | 527 | 868 | 275 | 175 | 125 | 575 | 293 | 1.70-1.85 |
| Oats | | | | | | | | | | | | |
| | Mill. acres | | | Bu./acre | | | | Mill. bu | | | | \$/bu |
| 1982/83 | 0.1 | 14.0 | 10.3 | 57.8 | 593 | 749 | 441 | 85 | 3 | 529 | 220 | 1.49 |
| 1983/84 | .3 | 20.3 | 9.4 | 52.6 | 477 | 727 | 466 | 78 | -2 | 546 | 181 | 1.62 |
| 1984/85 | .1 | 12.4 | 8.2 | 58.0 | 474 | 689 | 433 | 74 | 1 | 509 | 180 | 1.67 |
| 1985/86* | .5 | 13.3 | 8.2 | 63.7 | 521 | 728 | 460 | 82 | 2 | 544 | 184 | 1.23 |
| 1986/87* | .4 | 14.7 | 6.9 | 56.3 | 366 | 603 | 395 | 73 | 3 | 471 | 133 | 1.21 |
| 1987/88* | 1.0 | 18.0 | 6.9 | 54.0 | 374 | 542 | 350 | 75 | 1 | 426 | 116 | 1.50-1.65 |
| Soybeans | | | | | | | | | | | | |
| | Mill. acres | | | Bu./acre | | | | Mill. bu | | | | \$/bu |
| 1982/83 | 0 | 70.9 | 69.4 | 31.5 | 2,190 | 2,444 | 7/86 | 1,108 | 905 | 2,099 | 345 | 5.69 |
| 1983/84 | 0 | 63.8 | 62.5 | 26.2 | 1,636 | 1,981 | 7/79 | 983 | 743 | 1,805 | 176 | 7.83 |
| 1984/85 | 0 | 67.8 | 66.1 | 28.1 | 1,861 | 2,037 | 7/93 | 1,030 | 598 | 1,721 | 316 | 5.84 |
| 1985/86* | 0 | 63.1 | 61.6 | 34.1 | 2,089 | 2,415 | 7/86 | 1,053 | 740 | 1,879 | 536 | 5.05 |
| 1986/87* | 0 | 60.4 | 58.3 | 33.3 | 1,940 | 2,476 | 7/104 | 1,179 | 757 | 2,040 | 436 | 4.80 |
| 1987/88* | 0 | 57.4 | 56.4 | 33.7 | 1,905 | 2,341 | 7/96 | 1,180 | 760 | 2,036 | 305 | 5.35-5.75 |
| Soybean oil | | | | | | | | | | | | |
| | | | | | | | | Mill. lbs | | | | ¢/lb |
| 1982/83 | -- | -- | -- | -- | 12,041 | 13,144 | -- | 9,858 | 2,028 | 11,883 | 1,261 | 20.6 |
| 1983/84 | -- | -- | -- | -- | 10,872 | 12,133 | -- | 8,588 | 1,824 | 11,412 | 721 | 30.6 |
| 1984/85 | -- | -- | -- | -- | 11,468 | 12,209 | -- | 9,917 | 1,660 | 11,577 | 632 | 29.8 |
| 1985/86* | -- | -- | -- | -- | 11,617 | 12,257 | -- | 10,053 | 1,257 | 11,310 | 947 | 18.0 |
| 1986/87* | -- | -- | -- | -- | 12,783 | 13,745 | -- | 10,833 | 1,187 | 12,020 | 1,725 | 15.4 |
| 1987/88* | -- | -- | -- | -- | 13,030 | 14,755 | -- | 11,150 | 2,205 | 13,155 | 1,400 | 18.0-21.0 |
| Soybean meal | | | | | | | | | | | | |
| | | | | | | | | Thou. tons | | | | ¢/ton |
| 1982/83 | -- | -- | -- | -- | 26,714 | 26,889 | -- | 19,306 | 7,109 | 26,415 | 474 | 187 |
| 1983/84 | -- | -- | -- | -- | 22,756 | 23,230 | -- | 17,615 | 5,360 | 22,975 | 255 | 188 |
| 1984/85 | -- | -- | -- | -- | 24,529 | 24,784 | -- | 19,480 | 4,917 | 24,397 | 387 | 125 |
| 1985/86* | -- | -- | -- | -- | 24,951 | 25,338 | -- | 19,090 | 6,036 | 25,126 | 212 | 155 |
| 1986/87* | -- | -- | -- | -- | 27,758 | 27,970 | -- | 20,387 | 7,343 | 27,730 | 240 | 163 |
| 1987/88* | -- | -- | -- | -- | 28,010 | 28,250 | -- | 20,950 | 7,000 | 27,950 | 300 | 175-195 |

See footnotes at end of table.

Table 17.— Supply & Utilization, continued

| | Area | | | Production | Total supply 4/ | Feed and residual | Other domestic use | Exports | Total use | Ending stocks | Farm price 5/ | |
|------------|--------------|---------|-----------|------------|-----------------|-------------------|--------------------|---------|-----------|---------------|---------------|------|
| | Set aside 3/ | Planted | Harvested | | | | | | | | | |
| | Mill. acres | | | lb/acre | | | | | | | \$/lb | |
| Cotton 10/ | | | | | | | | | | | | |
| 1982/83 | 1.6 | 11.3 | 9.7 | 590 | 12.0 | 18.6 | -- | 5.5 | 5.2 | 10.7 | 7.9 | 59.5 |
| 1983/84 | 6.8 | 7.9 | 7.3 | 508 | 7.8 | 15.7 | -- | 5.9 | 6.8 | 12.7 | 2.8 | 65.3 |
| 1984/85 | 2.5 | 11.1 | 10.4 | 600 | 13.0 | 15.8 | -- | 5.5 | 6.2 | 11.8 | 4.1 | 58.7 |
| 1985/86* | 3.6 | 10.7 | 10.2 | 630 | 13.4 | 17.6 | -- | 6.4 | 2.0 | 8.4 | 9.4 | 56.5 |
| 1986/87* | 3.3 | 10.0 | 8.5 | 552 | 9.7 | 19.1 | -- | 7.4 | 6.7 | 14.1 | 5.0 | 52.2 |
| 1987/88* | 3.1 | 10.4 | 10.0 | 703 | 14.7 | 19.8 | -- | 7.8 | 7.0 | 14.8 | 5.1 | -- |

*February 8, 1988 Supply and Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans, corn, and sorghum; October 1 for soybean oil and soybean meal. 2/ Conversion factors: Hectare (ha) = 2.471 acres; 1 metric ton = 2204.622 pounds; 36.7437 bushels of wheat or soybeans; 39.3679 bushels of corn or sorghum; 45.9296 bushels of barley; 68.8944 bushels of oats; 22.046 cwt. of rice; and 4.59 480-pound bales of cotton. 3/ Includes diversion, PIA, and acreage reduction programs. 4/ Includes reports. 5/ Market average prices do not include an allowance for loans outstanding and Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Average of crude soybean oil, Decatur. 9/ Average of 44 percent, Decatur. 10/ Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks.

Information contact: Commodity Economics Division, Crops Branch (202) 786-1840.

Table 18.—Food Grains

| | Marketing year 1/ | | | | 1986 | | 1987 | | | |
|----------------------------------|-------------------|---------|---------|---------|---------|----------|---------|---------|---------|----------|
| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | Dec | Aug | Sept | Oct | Nov | Dec |
| Wholesale prices | | | | | | | | | | |
| Wheat, No. 1 HRW, | | | | | | | | | | |
| Kansas City (\$/bu) 2/ | 3.84 | 3.74 | 3.28 | 2.72 | 2.68 | 2.65 | 2.78 | 2.90 | 2.90 | 3.70 |
| Wheat, DNS, | | | | | | | | | | |
| Minneapolis (\$/bu) 2/ | 4.21 | 3.70 | 3.25 | 2.62 | 2.77 | 2.60 | 2.74 | 2.85 | 2.81 | 2.96 |
| Rice, S.W. La. (\$/cwt) 3/ | 19.38 | 17.98 | 16.11 | 10.25 | 10.13 | 11.00 | 12.25 | 17.70 | 19.75 | 19.70 |
| Wheat | | | | | | | | | | |
| Exports (mil bu) | 1,429 | 1,424 | 915 | 1,004 | 58 | 118 | 124 | 105 | 79 | NA |
| Mill grind (mil bu) | 694 | 676 | 711 | 779 | 66 | 66 | 67 | 71 | 68 | NA |
| Wheat flour production (mil cwt) | 308 | 301 | 320 | 351 | 30 | 30 | 30 | 32 | 30 | NA |
| Rice | | | | | | | | | | |
| Exports (mil cwt, rough equiv) | 70.3 | 62.1 | 58.7 | 85.4 | 6.5 | 7.0 | 4.5 | 10.0 | 8.0 | 4.5 |
| | Marketing year 1/ | | | | 1986 | | 1987 | | | |
| | 1984/85 | 1985/86 | 1986/87 | Apr-May | Jun-Aug | Sept-Nov | Dec-Feb | Mar-May | Jun-Aug | Sept-Nov |
| Wheat | | | | | | | | | | |
| Stocks, beginning (mil bu) | 1,399 | 1,425 | 1,905 | 2,130.0 | 1,905.0 | 3,154.6 | 2,671.5 | 2,249.8 | 1,820.9 | 2,988.5 |
| Domestic use: | | | | | | | | | | |
| Food (mil bu) | 651 | 683 | 714 | 110.7 | 174.1 | 192.2 | 177.2 | 180.3 | 184.9 | 196.1 |
| Feed & seed (mil bu) 4/ | 502 | 363 | 548 | 1.8 | 346.8 | 31.1 | 47.6 | 38.7 | 345.5 | -17.7 |
| Exports (mil bu) | 1,424 | 915 | 1,004 | 115.3 | 320.6 | 263.4 | 202.7 | 216.8 | 409.9 | 308.5 |

1/ Beginning June 1 for wheat and August 1 for rice. 2/ Ordinary protein. 3/ Long-grain, milled basis. 4/ Feed use approximated by residual. NA = not available.

Information contacts: Ed Allen and Janet Livezey (202) 786-1840.

Table 19.—Cotton

| | Marketing year 1/ | | | | 1986 | | 1987 | | | |
|------------------------------------|-------------------|---------|---------|---------|--------|-------|-------|-------|-------|--------|
| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | Dec | Aug | Sept | Oct | Nov | Dec |
| U.S. price, SLM, | | | | | | | | | | |
| 1-1/16 in. (cts/lb) 2/ | 73.1 | 60.6 | 60.0 | 53.2 | 54.2 | 75.9 | 71.4 | 64.3 | 64.7 | 62.3 |
| Northern Europe prices: | | | | | | | | | | |
| Index (cts/lb) 3/ | 87.6 | 69.2 | 48.9 | 62.0 | 59.2 | 86.6 | 83.6 | 76.2 | 75.8 | 75.3 |
| U.S. M 1-3/32 in. (cts/lb) 4/ | 87.1 | 73.9 | 64.8 | 61.8 | 62.1 | 87.4 | 83.1 | 76.8 | 76.4 | 75.0 |
| U.S. mill consumption (thou bales) | 5,927 | 5,545 | 6,399 | 7,452 | 556 | 666 | 694 | 650 | 635 | 645 |
| Exports (thou bales) | 6,786 | 6,201 | 1,969 | 6,684 | 570 | 420 | 315 | 367 | 615 | 710 |
| Stocks, beginning (thou bales) | 7,937 | 2,775 | 4,102 | 9,348 | 12,677 | 5,026 | 4,381 | 6,218 | 9,660 | 12,058 |

1/ Beginning August 1. 2/ Average spot market. 3/ Liverpool Outlook (A) Index; average of 5 lowest priced of 11 selected growths. 4/ Memphis territory growths.

Information contact: Bob Skinner (202) 786-1840.

Table 20.—Feed Grains

| | Marketing year 1/ | | | | 1986 | 1987 | | | | |
|--|-------------------|---------|---------|---------|------|------|------|------|------|------|
| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | Dec | Aug | Sept | Oct | Nov | Dec |
| Wholesale prices | | | | | | | | | | |
| Corn, No. 2 yellow, Chicago (\$/bu) | 3.46 | 2.79 | 2.35 | 1.64 | 1.66 | 1.53 | 1.62 | 1.73 | 1.86 | 1.89 |
| Sorghum, No. 2 yellow, Kansas City (\$/cwt) | 5.22 | 4.46 | 3.72 | 2.73 | 2.62 | 2.55 | 2.65 | 2.75 | 2.90 | 2.95 |
| Barley, feed, Minneapolis (\$/bu) 2/ | 2.48 | 2.09 | 1.63 | 1.44 | 1.23 | 1.60 | 1.76 | 1.78 | 1.82 | 1.74 |
| Barley, malting, Minneapolis (\$/bu) | 2.84 | 2.55 | 2.24 | 1.89 | 1.88 | 1.73 | 1.98 | 2.08 | 2.05 | 2.01 |
| Exports | | | | | | | | | | |
| Corn (mil bu) | 1,902 | 1,865 | 1,241 | 1,504 | 111 | 112 | 136 | 139 | 123 | NA |
| Feed grains (mil metric tons) 3/ | 56.5 | 56.6 | 36.6 | 46.3 | 3.7 | 3.2 | 4.1 | 4.3 | 3.8 | NA |

| | Marketing year 1/ | | | | 1986 | | 1987 | | | |
|----------------------------|-------------------|---------|---------|---------|----------|----------|---------|---------|---------|----------|
| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | June-Aug | Sept-Nov | Dec-Feb | Mar-May | Jun-Aug | Sept-Nov |
| Corn | | | | | | | | | | |
| Stocks, beginning (mil bu) | 3,523 | 1,006 | 1,648 | 4,040 | 4,990 | 4,040 | 10,306 | 8,248 | 6,332 | 4,882 |
| Domestic use: | | | | | | | | | | |
| Feed (mil bu) | 3,818 | 4,079 | 4,085 | 4,717 | 494 | 1,384 | 1,472 | 1,091 | 768 | 1,494 |
| Food, seed, ind (mil bu) | 975 | 1,091 | 1,160 | 1,191 | 308 | 280 | 270 | 325 | 315 | 287 |
| Exports (mil bu) | 1,902 | 1,865 | 1,241 | 1,504 | 154 | 321 | 315 | 500 | 368 | 398 |
| Total use (mil bu) | 6,694 | 7,036 | 6,496 | 7,410 | 956 | 1,985 | 2,058 | 1,917 | 1,451 | 2,179 |

1/ September 1 for corn and sorghum; June 1 for oats and barley. 2/ Beginning March 1987 reporting point changed from Minneapolis to Duluth. 3/ Aggregated data for corn, sorghum, oats, and barley. NA = not available.

Information contact: Larry Van Meir (202) 786-1840

Table 21.—Fats & Oils

| | Marketing year 1/ | | | | 1986 | 1987 | | | | |
|--|-------------------|----------|----------|----------|---------|---------|---------|---------|---------|---------|
| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | Nov | July | Aug | Sept | Oct | Nov |
| Soybeans | | | | | | | | | | |
| Wholesale price, No. 1 yellow, Chicago (\$/bu) 2/ | 7.78 | 5.88 | 5.20 | 5.03 | 4.96 | 5.31 | 5.02 | 5.14 | 5.18 | 5.53 |
| Crushings (mil bu) | 982.7 | 1,030.5 | 1,052.8 | 1,178.8 | 109.4 | 92.6 | 82.4 | 79.7 | 102.5 | 111.2 |
| Exports (mil bu) | 742.8 | 600.7 | 740.7 | 756.9 | 96.6 | 54.3 | 54.5 | 56.7 | 97.9 | 98.1 |
| Stocks, beginning (mil bu) | 344.6 | 175.7 | 316.0 | 536.0 | 108.1 | 63.6 | 49.8 | 31.2 | 65.7 | 158.5 |
| Soybean oil | | | | | | | | | | |
| Wholesale price, crude, Decatur (cts/lb) | 30.55 | 29.52 | 18.02 | 15.36 | 14.88 | 15.41 | 15.16 | 15.58 | 17.03 | 17.55 |
| Production (mil lb) | 10,862.8 | 11,467.9 | 11,617.3 | 12,783.1 | 1,171.5 | 1,013.7 | 891.3 | 881.4 | 1,119.7 | 1,207.1 |
| Domestic disp. (mil lb) | 9,589.6 | 9,888.5 | 10,045.9 | 10,820.1 | 838.8 | 992.5 | 835.0 | 911.0 | 1,083.9 | 898.3 |
| Exports (mil lb) | 1,813.7 | 1,659.9 | 1,257.3 | 1,184.5 | 27.4 | 175.6 | 261.0 | 224.8 | 100.1 | 139.0 |
| Stocks, beginning (mil lb) | 1,260.9 | 720.5 | 632.5 | 946.6 | 963.6 | 2,338.6 | 2,184.2 | 1,979.4 | 1,725.0 | 1,660.6 |
| Soybean meal | | | | | | | | | | |
| Wholesale price, 44% protein, Decatur (\$/ton) | 188.21 | 125.46 | 154.88 | 162.61 | 154.00 | 181.25 | 169.90 | 177.20 | 185.50 | 206.60 |
| Production (thou ton) | 22,756.2 | 24,529.9 | 24,951.3 | 27,758.8 | 2,562.8 | 2,185.2 | 1,948.9 | 1,887.7 | 2,439.4 | 2,667.8 |
| Domestic disp. (thou ton) | 17,538.8 | 19,481.3 | 19,117.2 | 20,402.2 | 1,575.2 | 1,673.2 | 1,558.5 | 1,744.2 | 2,151.6 | 2,113.9 |
| Exports (thou ton) | 5,436.1 | 4,916.5 | 6,009.3 | 7,328.2 | 818.4 | 480.3 | 382.0 | 204.6 | 260.4 | 509.7 |
| Stocks, beginning (thou ton) | 474.1 | 255.4 | 386.9 | 211.7 | 218.0 | 261.3 | 292.9 | 301.3 | 240.2 | 267.6 |
| Margarine, wholesale price, | | | | | | | | | | |
| Chicago, white (cts/lb) | 46.3 | 55.5 | 51.2 | 40.3 | 38.88 | 38.88 | 39.20 | 40.00 | 41.69 | 42.65 |

1/ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. 2/ Beginning April 1, 1982, prices based on 30-day delivery, using upper and of the range.

Information contacts: Roger Hoskin (202) 786-1840; Tom Bickerton (202) 786-1691.

Table 22.—Farm Programs, Price Supports, Participation & Payment Rates

| | Target price | Loan rate | Findley loan rate | Deficiency | Payment rates | | Base acres | Program 1/ | Participation rate 2/ |
|----------------------|--------------|-----------|-------------------|------------|---------------------|------------|-------------|---------------|-----------------------|
| | | | | | Paid land diversion | PIK | | | |
| | | | | | \$/bu. | Percent 3/ | Mill. acres | | Percent of base |
| Wheat | | | | | | | | | |
| 1983/84 | 4.30 | 3.65 | | .65 | 2.70 | 85 | 90.9 | 15/5/10-30 | 78/78/51 |
| 1984/85 | 4.38 | 3.30 | | 1.00 | 2.70 | 85 | 94.0 | 20/10/10-20 | 60/60/20 |
| 1985/86 | 4.38 | 3.30 | | 1.08 | 2.70 | | 94.0 | 20/10/0 | 73 |
| 1986/87 4/ | 4.38 | 3.00 | 2.40 | 1.98 | 2.00 | 1.10 | 91.7 | 22 5/2.5/5-10 | 84/21/84 |
| 1987/88 | 4.38 | 2.85 | 2.28 | 2.10 | | | 89.6 | 27.5/0/0 | 83 |
| 1988/89 | 4.23 | 2.76 | 2.21 | 1.53 | | | | 27.5/0/0 | |
| Rice | | | | | | | | | |
| | | | | | \$/cwt | | | | |
| 1983/84 | 11.40 | 8.14 | | 2.77 | 2.70 | 80 | 3.95 | 15/5/10-30 | 98/98/87 |
| 1984/85 | 11.90 | 8.00 | | 3.76 | | | 4.16 | 25/0/0 | 85 |
| 1985/86 | 11.90 | 8.00 | 5/3.16 | 3.90 | 3.50 | | 4.23 | 20/15/0 | 89 |
| 1986/87 4/ | 11.90 | 7.20 | 5/3.82 | 4.70 | | | 4.20 | 35/0/0 | 92 |
| 1987/88 | 11.66 | 6.84 | 5/5.75 | 4.82 | | | 4.20 | 35/0/0 | 97 |
| 1988/89 | 11.15 | 6.63 | 5/7.00 | 1.65 | | | 4.22 | 25/0/0 | 85 |
| Corn | | | | | | | | | |
| | | | | | \$/bu. | | | | |
| 1983/84 | 2.86 | 2.65 | | 0 | 1.50 | 80 | 82.6 | 10/10/10-30 | 71/71/60 |
| 1984/85 | 3.03 | 2.55 | | .43 | | | 80.8 | 10/0/0 | 54 |
| 1985/86 | 3.03 | 2.55 | | .48 | | | 84.2 | 10/0/0 | 69 |
| 1986/87 4/ | 3.03 | 2.40 | 1.82 | 1.11 | .73 | | 81.9 | 17.5/2.5/0 | 85 |
| 1987/88 | 3.03 | 2.28 | 1.82 | 1.21 | 2.00 | | 83.3 | 20/15/0 | 88/55 |
| 1988/89 | 2.93 | 2.21 | 1.77 | 1.10 | 1.75 | | | 20/10/0: 0/92 | |
| Sorghum | | | | | | | | | |
| | | | | | \$/bu. | | | | |
| 1983/84 | 2.72 | 2.52 | | 0 | 1.50 | 80 | 18.0 | 6/[same] | 72/72/53 |
| 1984/85 | 2.88 | 2.42 | | .46 | | | 18.2 | | 42 |
| 1985/86 | 2.88 | 2.42 | | .46 | | | 19.3 | | 55 |
| 1986/87 4/ | 2.88 | 2.28 | 1.82 | 1.06 | .65 | | 18.7 | | 75 |
| 1987/88 | 2.88 | 2.18 | 1.74 | 1.14 | 1.90 | | 18.1 | | 83/42 |
| 1988/89 | 2.78 | 2.10 | 1.68 | 1.08 | 1.65 | | | | |
| Barley | | | | | | | | | |
| | | | | | \$/bu. | | | | |
| 1983/84 | 2.60 | 2.16 | | .21 | 1.00 | | 11.0 | 6/[same] | 55/55/0 |
| 1984/85 | 2.60 | 2.08 | | .26 | | | 11.6 | | 44 |
| 1985/86 | 2.60 | 2.08 | | .52 | | | 13.3 | | 57 |
| 1986/87 4/ | 2.60 | 1.95 | 1.56 | 1.04 | .57 | | 12.4 | | 73 |
| 1987/88 | 2.60 | 1.86 | 1.49 | 1.11 | 1.60 | | 12.9 | | 82/23 |
| 1988/89 | 2.51 | 1.80 | 1.44 | .76 | 1.40 | | | | |
| Oats | | | | | | | | | |
| | | | | | \$/bu. | | | | |
| 1983/84 | 1.60 | 1.36 | | .11 | .75 | | 9.8 | 6/[same] | 20/20/0 |
| 1984/85 | 1.60 | 1.31 | | 0 | | | 9.8 | | 14 |
| 1985/86 | 1.60 | 1.31 | | .29 | | | 9.4 | | 14 |
| 1986/87 4/ | 1.60 | 1.24 | .99 | .50 | .36 | | 9.5 | | 37 |
| 1987/88 | 1.60 | 1.18 | .94 | .55 | .80 | | 8.7 | | 44/15 |
| 1988/89 | 1.53 | 1.13 | .90 | .30 | | | | 5/0/0: 0/92 | |
| Soybeans 7/ | | | | | | | | | |
| | | | | | \$/bu. | | | | |
| 1983/84 | | 5.02 | | | | | | | |
| 1984/85 | | 5.02 | | | | | | | |
| 1985/86 | | 5.02 | | | | | | | |
| 1986/87 4/ | | 4.77 | | | | | | | |
| 1987/88 | | 4.77 | | | | | | | |
| 1988/89 | | | | | | | | | |
| Upland cotton | | | | | | | | | |
| | | | | | \$/lb. | | | | |
| 1983/84 | 76.0 | 55.00 | | 12.10 | 25.00 | 85 | 15.4 | 20/5/10-30 | 83/83/77 |
| 1984/85 | 81.0 | 55.00 | | 18.60 | | | 15.6 | 25/0/0 | 70 |
| 1985/86 | 81.0 | 57.30 | | 23.70 | 30.00 | | 15.8 | 20/10/0 | 82/0/0 |
| 1986/87 4/ | 81.0 | 55.00 | 8/44.00 | 26.00 | | | 15.5 | 25/0/0 | 80 |
| 1987/88 | 77.0 | 52.25 | 9/ | 17.3 | | | 15.5 | 25/0/0 | 88 |
| 1988/89 | 75.9 | 51.80 | | 16.00 | | | 15.3 | 12 5/0/0 | |

1/ Percentage of base acres farmers participating in Acreage Reduction Programs/Paid Land Diversion/PIK were required to devote to conserving uses to receive Program benefits. In addition to the percentages shown for 1983/84, farmers had the option of submitting bids to retire their entire base acreages. 2/ Percentage of base acres enrolled in Acreage Reduction Programs/Paid Land Diversion/PIK. 3/ Percent of program yield, except 1986/87 wheat, which is dollars per bushel. 1983 and 1984 PIK rates apply only to the 10-30 and 10-20 portions, respectively. 4/ Payment rates for payments received in cash were reduced by 4.3 percent in 1986/87 due to Gramm-Rudman-Hollings. 5/ Annual average world market price. 6/ In the sorghum, oats and barley programs were the same as for corn each year except 1983/84, when PIK was not offered on barley and oats, and in 1988 for oats. 7/ There are no target prices, acreage programs, or payment rates for soybeans. 8/ Loan repayment rate. 9/ Loans may be repaid at the lower of the loan rate or world market prices.

Information contact: Larry Van Nelf (202) 786-1840.

Table 23.—Fruit

| | Calendar years | | | | | | | | | | | |
|---------------------------------|----------------|---------|---------|--------|---------|---------|--------|--------|---------|---------|---------|---------|
| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 P |
| Citrus | | | | | | | | | | | | |
| Production (thou tons) | 15,242 | 14,255 | 13,329 | 16,484 | 15,105 | 12,057 | 13,608 | 10,792 | 10,488 | 11,074 | 11,952 | 12,261 |
| Per capita consumption (lbs) 1/ | 117.2 | 124.5 | 107.4 | 108.5 | 112.7 | 104.7 | 109.6 | 120.2 | 102.8 | 115.7 | 109.8 | NA |
| Non Citrus | | | | | | | | | | | | |
| Production (thou tons) | 11,846 | 12,274 | 12,460 | 13,689 | 15,152 | 12,961 | 14,217 | 14,154 | 14,292 | 14,188 | 13,916 | 15,333 |
| Per capita consumption (lbs) 1/ | 84.2 | 84.3 | 82.5 | 85.8 | 87.3 | 88.1 | 89.0 | 89.0 | 93.7 | 92.6 | 95.3 | NA |
| 1987 | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| F.O.B. shipping point Prices | | | | | | | | | | | | |
| Apples (\$/carton) 2/ | 10.67 | 14.00 | 14.50 | 15.35 | 16.63 | 17.60 | 14.34 | 11.60 | NA | 7.93 | 7.83 | 8.98 |
| Pears (\$/box) 3/ | 16.00 | 15.63 | 14.75 | 14.10 | 15.28 | 21.00 | NA | NA | NA | 12.00 | 10.82 | 9.70 |
| Oranges (\$/box) 4/ | 4.01 | 4.83 | 4.68 | 5.15 | 5.62 | 6.47 | 6.29 | 6.18 | 6.01 | 7.36 | 10.23 | 5.45 |
| Grapefruit (\$/box) 4/ | 5.80 | 4.72 | 2.64 | 1.85 | 2.27 | 4.34 | 5.58 | 5.95 | 5.07 | 5.07 | 6.81 | 5.84 |
| Stocks, ending | | | | | | | | | | | | |
| Fresh apples (mil lbs) | 2,307.2 | 1,720.2 | 1,174.0 | 761.9 | 386.3 | 203.8 | 74.9 | 4.1 | 2,684.2 | 5,466.0 | 4,684.9 | 3,943.8 |
| Fresh pears (mil lbs) | 170.9 | 127.1 | 92.1 | 53.7 | 21.1 | 1.7 | 11.8 | 185.2 | 505.8 | 425.8 | 338.8 | 279.4 |
| Frozen fruits (mil lbs) | 632.3 | 563.0 | 497.7 | 495.6 | 510.6 | 625.9 | 865.7 | 908.3 | 908.7 | 957.9 | 943.1 | 857.0 |
| Frozen orange juice (mil lbs) | 877.8 | 1,015.7 | 937.1 | 894.8 | 1,112.6 | 1,108.6 | 945.8 | 797.6 | 843.2 | 670.7 | 569.0 | 658.5 |

1/ Per capita consumption for total U.S. population, including military consumption of both fresh and processed fruit in fresh weight equivalent. 2/ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. 3/ D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. 4/ U.S. equivalent on-tree returns. P = preliminary. NA = not available.

Information contact: Ben Huang (202) 786-1884.

Table 24.—Vegetables

| | Calendar years | | | | | | | | | | | |
|---------------------------------|----------------|------------|-----------|-----------|------------|------------|------------|------------|------------|------------|--------|--------|
| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | | |
| Production | | | | | | | | | | | | |
| Total vegetables (1,000 cwt) 1/ | 382,165 | 413,925 | 381,370 | 379,123 | 431,515 | 403,320 | 457,392 | 453,769 | 445,436 | 462,402 | | |
| Fresh (1,000 cwt) 1/ 2/ | 182,563 | 190,859 | 190,228 | 194,694 | 207,924 | 197,919 | 217,132 | 217,932 | 216,267 | 218,190 | | |
| Processed (tons) 3/ | 9,980,100 | 11,153,300 | 9,557,100 | 9,221,460 | 11,179,590 | 10,270,050 | 12,013,020 | 11,791,860 | 11,616,560 | 12,210,580 | | |
| Mushrooms (1,000 lbs) | 454,007 | 470,069 | 469,576 | 517,146 | 490,826 | 561,531 | 595,681 | 587,956 | NA | NA | | |
| Potatoes (1,000 cwt) | 366,314 | 342,447 | 302,857 | 338,591 | 355,131 | 333,911 | 362,612 | 407,109 | 361,511 | 385,774 | | |
| Sweetpotatoes (1,000 cwt) | 13,115 | 13,370 | 10,953 | 12,799 | 14,833 | 12,083 | 12,986 | 14,853 | 12,674 | 12,103 | | |
| Dry edible beans (1,000 cwt) | 18,935 | 20,552 | 26,729 | 32,751 | 25,563 | 15,520 | 21,070 | 22,175 | 22,886 | 26,309 | | |
| 1986 | | | | | | | | | | | | |
| 1987 | | | | | | | | | | | | |
| | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov |
| Shipments | | | | | | | | | | | | |
| Fresh (1,000 cwt) 4/ | 15,766 | 20,607 | 18,068 | 22,286 | 20,011 | 23,887 | 35,745 | 23,791 | 17,075 | 20,213 | 16,104 | 15,445 |
| Potatoes (1,000 cwt) | 10,836 | 14,569 | 10,881 | 15,668 | 13,560 | 12,165 | 12,622 | 7,631 | 8,514 | 11,384 | 9,718 | 11,021 |
| Sweetpotatoes (1,000 cwt) | 389 | 279 | 259 | 293 | 299 | 177 | 98 | 34 | 136 | 322 | 359 | 795 |

1/ 1983 data are not comparable with 1984 and 1985. 2/ Estimate reinstated for asparagus with the 1984 crop. All other years also include broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, and tomatoes. 3/ Estimates reinstated for cucumbers with the 1984 crop. All other years also include snap beans, sweet corn, green peas, and tomatoes. 4/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, and watermelons. NA = not available.

Information contacts: Shannon Hamm or Cathy Greene (202) 786-1767.

Table 25.—Other Commodities

| | Annual | | | | | 1986 | | 1987 | | | |
|---|--------|--------|--------|--------|--------|---------|---------|----------|-----------|---------|--|
| | 1983 | 1984 | 1985 | 1986 | 1987 P | Oct-Dec | Jan-Mar | Apr-June | July-Sept | Oct-Dec | |
| Sugar | | | | | | | | | | | |
| Production 1/ | 5,682 | 5,890 | 5,969 | 6,257 | 7,278 | 3,231 | 2,024 | 766 | 865 | 3,622 | |
| Deliveries 1/ | 8,812 | 8,454 | 8,035 | 7,786 | 8,172 | 1,991 | 1,908 | 2,002 | 2,146 | 2,116 | |
| Stocks, ending 1/ | 2,570 | 3,005 | 3,126 | 3,227 | 965 | 3,227 | 3,497 | 2,476 | 1,497 | 965 | |
| Coffee | | | | | | | | | | | |
| Composite green price N.Y. (cts/lb) | 131.51 | 142.95 | 137.46 | 185.18 | 108.94 | 159.65 | 115.38 | 105.91 | 99.16 | 115.32 | |
| Imports, green bean equiv. (mil lbs) 2/ | 2,259 | 2,411 | 2,550 | 2,596 | 2,638 | 498 | 563 | 790 | 645 | 640 | |
| 1986 | | | | | | | | | | | |
| 1987 | | | | | | | | | | | |
| | 1984 | 1985 | 1986 | Oct | May | June | July | Aug | Sept | Oct | |
| Tobacco | | | | | | | | | | | |
| Prices at auctions 3/ | | | | | | | | | | | |
| Flue-cured (dot/lb) | 1.81 | 1.72 | 1.52 | 1.51 | NQ | NQ | NQ | 1.47 | 1.65 | 1.66 | |
| Burley (dot/lb) | 1.88 | 1.59 | 1.57 | NQ | NQ | NQ | NQ | NQ | NQ | NQ | |
| Domestic consumption 4/ | | | | | | | | | | | |
| Cigarettes (bil) | 600.4 | 594.0 | 584.0 | 52.0 | 51.0 | 61.8 | 37.9 | 49.8 | 51.0 | 48.6 | |
| Large cigars (mil) | 3,493 | 3,226 | 3,090 | 268.5 | 233.1 | 290.7 | 193.0 | 220.2 | 253.7 | 197.3 | |

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green and processed coffee. 3/ Crop year July-June for flue-cured, October-September for burley. 4/ Taxable removals. P = preliminary. NQ = no quote.

Information contacts: (sugar) Dave Harvey (202) 786-1888; (coffee) Fred Gray (202) 786-1888; (tobacco) Verner Grise (202) 786-1890.

Table 26.—World Supply & Utilization of Major Crops, Livestock, & Products

| | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 P | 1987/88 F |
|-----------------------------------|---------|---------|---------|---------|---------|-----------|-----------|
| Million units | | | | | | | |
| Wheat | | | | | | | |
| Area (hectare) | 238.7 | 237.7 | 229.1 | 231.4 | 229.3 | 228.0 | 219.3 |
| Production (metric ton) | 449.5 | 477.5 | 489.4 | 511.5 | 499.2 | 529.4 | 502.0 |
| Exports (metric ton) 1/ | 101.3 | 98.7 | 102.0 | 107.0 | 84.8 | 91.3 | 102.2 |
| Consumption (metric ton) 2/ | 443.6 | 462.2 | 474.2 | 492.6 | 495.3 | 521.4 | 527.6 |
| Ending stocks (metric ton) 3/ | 87.0 | 102.3 | 145.2 | 164.1 | 167.9 | 175.6 | 149.7 |
| Coarse grains | | | | | | | |
| Area (hectare) | 349.9 | 339.7 | 335.3 | 335.5 | 341.0 | 336.7 | 325.0 |
| Production (metric ton) | 766.0 | 784.4 | 687.2 | 813.5 | 843.0 | 832.8 | 792.3 |
| Exports (metric ton) 1/ | 96.6 | 89.6 | 93.3 | 100.4 | 83.2 | 83.6 | 86.5 |
| Consumption (metric ton) 2/ | 737.7 | 753.1 | 758.3 | 781.9 | 778.3 | 806.5 | 819.5 |
| Ending stocks (metric ton) 3/ | 120.7 | 151.8 | 110.4 | 143.1 | 207.7 | 234.1 | 206.9 |
| Rice, milled | | | | | | | |
| Area (hectare) | 145.2 | 141.1 | 144.3 | 144.4 | 144.7 | 144.8 | 142.4 |
| Production (metric ton) | 280.6 | 285.7 | 308.0 | 319.2 | 319.0 | 317.7 | 302.0 |
| Exports (metric ton) 4/ | 11.8 | 11.9 | 12.6 | 11.5 | 12.8 | 12.7 | 10.4 |
| Consumption (metric ton) 2/ | 281.5 | 290.3 | 313.1 | 310.8 | 320.0 | 322.7 | 312.2 |
| Ending stocks (metric ton) 3/ | 21.3 | 17.3 | 46.7 | 54.8 | 53.8 | 48.8 | 38.5 |
| Total grains | | | | | | | |
| Area (hectare) | 733.8 | 718.5 | 708.7 | 711.3 | 715.0 | 709.5 | 686.7 |
| Production (metric ton) | 1,496.1 | 1,547.6 | 1,484.6 | 1,645.2 | 1,661.2 | 1,679.6 | 1,596.3 |
| Exports (metric ton) 1/ | 209.7 | 200.2 | 207.9 | 218.9 | 180.8 | 187.6 | 199.1 |
| Consumption (metric ton) 2/ | 1,462.8 | 1,505.6 | 1,545.6 | 1,585.3 | 1,593.6 | 1,650.6 | 1,659.3 |
| Ending stocks (metric ton) 3/ | 229.0 | 271.4 | 302.3 | 362.0 | 429.4 | 458.5 | 395.1 |
| Oilseeds | | | | | | | |
| Crush (metric ton) | 138.9 | 143.5 | 136.1 | 150.6 | 154.3 | 159.7 | 164.9 |
| Production (metric ton) | 169.4 | 178.2 | 165.4 | 191.2 | 195.7 | 194.0 | 202.7 |
| Exports (metric ton) | 35.9 | 35.2 | 33.0 | 33.0 | 34.4 | 37.7 | 38.3 |
| Ending stocks (metric ton) | 13.5 | 20.5 | 15.7 | 21.2 | 26.7 | 23.8 | 22.4 |
| Meals | | | | | | | |
| Production (metric ton) | 94.5 | 98.1 | 92.7 | 101.7 | 104.5 | 108.9 | 113.0 |
| Exports (metric ton) | 28.8 | 31.6 | 29.7 | 32.3 | 34.2 | 36.1 | 35.9 |
| Oil | | | | | | | |
| Production (metric ton) | 41.6 | 43.4 | 42.2 | 46.1 | 49.2 | 49.8 | 51.6 |
| Exports (metric ton) | 13.4 | 14.0 | 13.7 | 15.5 | 16.3 | 16.4 | 16.9 |
| Cotton | | | | | | | |
| Area (hectare) | 33.0 | 31.4 | 31.0 | 33.9 | 31.9 | 30.2 | 32.4 |
| Production (bale) | 71.2 | 68.1 | 67.7 | 88.1 | 79.1 | 70.0 | 77.8 |
| Exports (bale) | 20.2 | 19.4 | 19.2 | 20.5 | 20.5 | 25.8 | 24.2 |
| Consumption (bale) | 66.2 | 68.3 | 68.7 | 70.4 | 76.9 | 83.3 | 82.3 |
| Ending stocks (bale) | 25.2 | 25.1 | 25.1 | 42.3 | 45.3 | 31.8 | 24.3 |
| | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 P | 1988 F |
| Red meat | | | | | | | |
| Production (mil metric tons) | 94.8 | 97.5 | 99.3 | 103.3 | 105.6 | 105.4 | 107.0 |
| Consumption (mil metric tons) | 93.3 | 95.8 | 97.4 | 101.2 | 104.7 | 103.8 | 105.8 |
| Exports (mil metric tons) 1/ | 5.8 | 5.9 | 5.9 | 6.2 | 6.6 | 6.5 | 6.7 |
| Poultry | | | | | | | |
| Production (mil metric tons) | 23.7 | 24.4 | 25.2 | 26.2 | 27.3 | 29.0 | 30.3 |
| Consumption (mil metric tons) | 23.3 | 24.3 | 24.8 | 25.9 | 26.9 | 28.5 | 29.8 |
| Exports (mil metric tons) 1/ | 1.4 | 1.3 | 1.3 | 1.2 | 1.3 | 1.4 | 1.5 |
| Dairy | | | | | | | |
| Milk production (mil metric tons) | 396.9 | 413.0 | 413.4 | 417.8 | 424.2 | 419.2 | 421.7 |

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1982 data correspond with 1981/82, etc. P = preliminary. F = forecast.

Information contacts: Frederic Suris (202) 786-1820; (red meat & poultry) Linda Bailey (202) 786-1285; (dairy) Sara Short (202) 786-1769.

U.S. Agricultural Trade

Table 27.—Prices of Principal U.S. Agricultural Trade Products

| | Annual | | | 1986 | | 1987 | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1985 | 1986 | 1987 | Dec | July | Aug | Sept | Oct | Nov | Dec |
| Export commodities | | | | | | | | | | |
| Wheat, f.o.b. vessel, Gulf ports (\$/bu) | 3.73 | 3.19 | 3.11 | 2.97 | 2.89 | 2.95 | 3.09 | 3.17 | 3.17 | 3.43 |
| Corn, f.o.b. vessel, Gulf ports (\$/bu) | 2.89 | 2.27 | 1.95 | 1.89 | 1.96 | 1.82 | 1.89 | 2.02 | 2.10 | 2.13 |
| Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu) | 2.64 | 2.16 | 1.88 | 1.84 | 1.90 | 1.74 | 1.78 | 1.89 | 2.01 | 1.98 |
| Soybeans, f.o.b. vessel, Gulf ports (\$/bu) | 5.83 | 5.45 | 5.55 | 5.14 | 5.74 | 5.51 | 5.53 | 5.55 | 5.88 | 6.16 |
| Soybean oil, Decatur (cts/lb) | 27.03 | 16.36 | 15.85 | 14.68 | 15.05 | 14.93 | 15.26 | 16.78 | 17.16 | 18.77 |
| Soybean meal, Decatur (\$/ton) | 127.15 | 157.62 | 175.57 | 149.54 | 179.84 | 168.93 | 178.96 | 185.86 | 209.45 | 214.51 |
| Cotton, 8 market avg. spot (cts/lb) | 58.55 | 53.47 | 64.35 | 54.15 | 73.06 | 75.89 | 71.41 | 64.22 | 64.81 | 62.25 |
| Tobacco, avg. price at auction (cts/lb) | 172.05 | 153.93 | 147.25 | 146.40 | 141.80 | 141.45 | 152.15 | 152.84 | 152.38 | 152.61 |
| Rice, f.o.b. mill, Houston (\$/cwt) | 18.49 | 14.60 | 13.15 | 13.00 | 10.50 | 10.50 | 11.75 | 19.44 | 21.00 | 21.00 |
| Inedible tallow, Chicago (cts/lb) | 14.33 | 9.03 | 13.79 | 9.40 | 15.17 | 14.50 | 15.53 | 15.23 | 15.17 | 15.56 |
| Import commodities | | | | | | | | | | |
| Coffee, N.Y. spot (\$/lb) | 1.42 | 2.01 | 1.09 | 1.46 | 1.00 | .96 | .97 | 1.05 | 1.19 | 1.19 |
| Rubber, N.Y. spot (cts/lb) | 41.91 | 42.87 | 50.65 | 44.67 | 53.47 | 53.73 | 54.17 | 53.76 | 53.10 | 54.01 |
| Cocoa beans, N.Y. (\$/lb) | .99 | .88 | .87 | .86 | .93 | .89 | .87 | .84 | .84 | .82 |

Information contact: Mary Teymourian (202) 786-1820.

Table 28.—Indexes of Nominal & Real Trade-Weighted Dollar Exchange Rates

| | 1987 | | | | | | | | | | | |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| March 1973=100 | | | | | | | | | | | | |
| Total U.S. trade 1/ | 101 | 99 | 99 | 97 | 96 | 98 | 99 | 99 | 97 | 97 | 92 | 90 |
| Nominal | | | | | | | | | | | | |
| April 1971=100 | | | | | | | | | | | | |
| Agricultural trade | | | | | | | | | | | | |
| Nominal 2/ | 5,238 | 6,102 | 6,954 | 7,783 | 9,838 | 12,507 | 14,245 | 14,933 | 15,794 | 16,858 | 18,559 | 21,384 |
| Real 3/ | 86 | 85 | 85 | 83 | 83 | 85 | 85 | 85 | 84 | 83 | 81 | 80 |
| Soybeans | | | | | | | | | | | | |
| Nominal 2/ | 314 | 327 | 343 | 358 | 374 | 394 | 412 | 428 | 444 | 460 | 491 | 600 |
| Real 3/ | 72 | 71 | 71 | 69 | 69 | 70 | 71 | 71 | 69 | 69 | 66 | 65 |
| Wheat | | | | | | | | | | | | |
| Nominal 2/ | 28,557 | 34,601 | 39,700 | 44,815 | 57,302 | 73,477 | 83,997 | 88,101 | 93,144 | 99,717 | 109,724 | 126,159 |
| Real 3/ | 105 | 104 | 106 | 103 | 104 | 106 | 106 | 104 | 103 | 102 | 99 | 97 |
| Corn | | | | | | | | | | | | |
| Nominal 2/ | 4,842 | 5,631 | 6,407 | 7,158 | 9,020 | 11,436 | 13,013 | 13,642 | 14,427 | 15,392 | 16,943 | 19,547 |
| Real 3/ | 76 | 76 | 76 | 74 | 73 | 74 | 75 | 74 | 73 | 72 | 69 | 69 |
| Cotton | | | | | | | | | | | | |
| Nominal 2/ | 234 | 233 | 233 | 272 | 270 | 269 | 269 | 269 | 292 | 267 | 280 | 282 |
| Real 3/ | 91 | 90 | 90 | 89 | 87 | 87 | 88 | 87 | 86 | 86 | 85 | 83 |

1/ Federal Reserve Board index of trade-weighted exchange value of the U.S. dollar against 10 other major industrial country currencies, plus Switzerland. These currencies dominate the financing of U.S. total trade. 2/ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. 3/ The real index deflates the nominal series by consumer price changes of the countries involved, resulting in divergence between nominal and real indexes when high-inflation countries figure significantly. The nominal Federal Reserve index shows little divergence between nominal and real indexes because of similar inflation rates among the countries included. *Preliminary.

Information contact: Edward Wilson (202) 786-1790.

Table 29.—Trade Balance

| | Fiscal year* | | | | | | | | | Nov |
|-----------------|--------------|---------|---------|---------|----------|----------|----------|----------|--------|---------|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 F | 1987 |
| \$ million | | | | | | | | | | |
| Exports | | | | | | | | | | |
| Agricultural | 40,481 | 43,780 | 39,095 | 34,769 | 38,027 | 31,201 | 26,307 | 27,874 | 32,000 | 2,825 |
| Nonagricultural | 169,846 | 185,423 | 176,310 | 159,373 | 170,014 | 179,236 | 176,631 | 199,947 | NA | 20,129 |
| Total 1/ | 210,327 | 229,203 | 215,405 | 194,142 | 208,041 | 210,437 | 202,938 | 227,821 | NA | 22,954 |
| Imports | | | | | | | | | | |
| Agricultural | 17,276 | 17,218 | 15,481 | 16,271 | 18,916 | 19,740 | 20,875 | 20,643 | 20,500 | 1,683 |
| Nonagricultural | 223,590 | 237,469 | 233,353 | 230,629 | 297,736 | 313,722 | 342,855 | 367,381 | NA | 33,574 |
| Total 2/ | 240,866 | 254,687 | 248,834 | 246,900 | 316,652 | 333,462 | 363,730 | 388,024 | NA | 35,257 |
| Trade balance | | | | | | | | | | |
| Agricultural | 23,205 | 26,562 | 23,614 | 18,498 | 19,111 | 11,461 | 5,432 | 7,231 | 11,500 | 1,142 |
| Nonagricultural | -53,744 | -52,046 | -57,043 | -71,256 | -127,722 | -134,486 | -166,224 | -167,434 | NA | -13,445 |
| Total | -30,539 | -25,484 | -33,429 | -52,758 | -108,611 | -123,025 | -160,792 | -160,203 | NA | -12,303 |

*Fiscal years begin October 1 and end September 30. Fiscal year 1987 began Oct. 1, 1986 and ended Sept. 30, 1987.

1/ Domestic exports including Department of Defense shipments (F.A.S. value). 2/ Imports for consumption (customs value).

F = forecast. NA = not available.

Information contact: Steve MacDonald (202) 786-1827.

Table 30.—U.S. Agricultural Exports & Imports

| | Fiscal years* | | | | Nov | Fiscal years* | | | | Nov |
|--------------------------------------|----------------|---------|---------|----------|--------|---------------|--------|--------|----------|-------|
| | 1985 | 1986 | 1987 | 1988 F | 1987 | 1985 | 1986 | 1987 | 1988 F | 1987 |
| | Thousand units | | | | | \$ million | | | | |
| Exports | | | | | | | | | | |
| Animals, live (no) 1/ | 996 | 570 | 275 | -- | 25 | 255 | 344 | 331 | -- | 72 |
| Meats & preps., excl. poultry (mt) | 427 | 451 | 548 | 2/500 | 53 | 906 | 1,012 | 1,300 | -- | 155 |
| Dairy products (mt) | 423 | 480 | 445 | -- | 37 | 414 | 430 | 490 | 500 | 43 |
| Poultry meats (mt) | 234 | 265 | 376 | 400 | 34 | 257 | 282 | 406 | -- | 36 |
| Fats, oils, & greases (mt) | 1,217 | 1,355 | 1,220 | 3/1,100 | 80 | 608 | 477 | 417 | -- | 31 |
| Hides & skins incl. furskins | -- | -- | -- | -- | -- | 1,325 | 1,440 | 1,666 | -- | 145 |
| Cattle hides, whole (no) 1/ | 25,456 | 25,596 | 24,337 | -- | 2,070 | 1,019 | 1,131 | 1,254 | -- | 120 |
| Mink pelts (no) 1/ | 2,237 | 2,697 | 2,761 | -- | 54 | 60 | 65 | 103 | -- | 2 |
| Grains & feeds (mt) | 93,903 | 74,358 | 90,411 | -- | 6,935 | 13,285 | 9,470 | 9,061 | 4/11,500 | 712 |
| Wheat (mt) | 28,523 | 25,500 | 28,233 | 35,000 | 1,937 | 4,264 | 3,260 | 2,881 | 5/4,100 | 188 |
| Wheat flour (mt) | 718 | 1,094 | 1,421 | 1,500 | 134 | 164 | 203 | 207 | -- | 17 |
| Rice (mt) | 1,972 | 2,382 | 2,454 | 2,300 | 243 | 677 | 648 | 551 | 800 | 58 |
| Feed grains, incl. products (mt) | 55,362 | 36,261 | 47,658 | 52,300 | 3,770 | 6,884 | 3,817 | 3,749 | 4,600 | 311 |
| Feeds & fodders (mt) | 6,533 | 8,368 | 10,114 | 6/10,000 | 786 | 1,004 | 1,284 | 1,456 | -- | 113 |
| Other grain products (mt) | 795 | 1,015 | 750 | -- | 78 | 293 | 332 | 284 | -- | 30 |
| Fruits, nuts, and preps. (mt) | 1,907 | 2,003 | 2,141 | -- | 222 | 1,687 | 1,766 | 2,049 | -- | 219 |
| Fruit juices incl. froz. (hl) 1/ | 4,641 | 3,652 | 4,356 | -- | 262 | 200 | 148 | 185 | -- | 13 |
| Vegetables & preps. (mt) | 1,420 | 1,449 | 1,639 | -- | 158 | 946 | 998 | 1,178 | -- | 110 |
| Tobacco, unmanufactured (mt) | 257 | 224 | 224 | 200 | 25 | 1,588 | 1,318 | 1,204 | 1,200 | 134 |
| Cotton, excl. linters (mt) | 1,277 | 482 | 1,306 | 1,600 | 134 | 1,945 | 678 | 1,419 | 2,300 | 202 |
| Seeds (mt) | 289 | 269 | 315 | -- | 38 | 352 | 366 | 370 | 400 | 50 |
| Sugar, cane or beet (mt) | 355 | 375 | 582 | -- | 37 | 65 | 75 | 113 | -- | 8 |
| Oilseeds & products (mt) | 23,803 | 27,582 | 29,709 | -- | 3,329 | 6,195 | 6,271 | 6,304 | 7,300 | 749 |
| Oilseeds (mt) | 17,886 | 20,684 | 21,855 | 21,000 | 2,699 | 4,324 | 4,394 | 4,411 | -- | 568 |
| Soybeans (mt) | 16,621 | 20,139 | 21,322 | 20,700 | 2,670 | 3,876 | 4,174 | 4,191 | 4,600 | 549 |
| Protein meal (mt) | 4,606 | 5,614 | 6,819 | 6,900 | 480 | 853 | 1,132 | 1,354 | 1,600 | 106 |
| Vegetable oils (mt) | 1,311 | 1,284 | 1,035 | -- | 151 | 1,018 | 746 | 538 | -- | 74 |
| Essential oils (mt) | 12 | 7 | 8 | -- | 1 | 105 | 105 | 111 | -- | 10 |
| Other | 443 | 568 | 564 | -- | 79 | 1,069 | 1,127 | 1,270 | -- | 136 |
| Total | 125,967 | 109,868 | 129,488 | 141,000 | 14,162 | 31,201 | 26,307 | 27,874 | 32,000 | 2,825 |
| Imports | | | | | | | | | | |
| Animals, live (no) 1/ | 2,120 | 1,885 | 1,994 | -- | 64 | 569 | 637 | 610 | 600 | 26 |
| Meats & preps., excl. poultry (mt) | 1,123 | 1,139 | 1,282 | -- | 87 | 2,214 | 2,248 | 2,797 | -- | 204 |
| Beef & veal (mt) | 674 | 693 | 778 | 750 | 43 | 1,295 | 1,252 | 1,575 | 1,600 | 100 |
| Pork (mt) | 416 | 406 | 462 | 460 | 39 | 847 | 900 | 1,125 | 1,100 | 93 |
| Dairy products (mt) | 418 | 400 | 461 | 450 | 29 | 763 | 786 | 849 | 900 | 82 |
| Poultry and products 1/ | -- | -- | -- | -- | -- | 93 | 101 | 112 | -- | 10 |
| Fats, oils, & greases (mt) | 21 | 22 | 21 | -- | 2 | 18 | 17 | 18 | -- | 1 |
| Hides & skins, incl. furskins 1/ | -- | -- | -- | -- | -- | 240 | 200 | 304 | -- | 16 |
| Wool, unmanufactured (mt) | 43 | 53 | 59 | -- | 5 | 145 | 160 | 197 | -- | 21 |
| Grains & feeds (mt) | 2,070 | 2,311 | 2,336 | 2,300 | 237 | 604 | 668 | 727 | 700 | 74 |
| Fruits, nuts, & preps., | | | | | | | | | | |
| excl. juices (mt) | 4,483 | 4,637 | 4,835 | 4,700 | 362 | 1,891 | 1,976 | 2,178 | -- | 159 |
| Bananas & plantains (mt) | 3,022 | 3,042 | 3,106 | 3,100 | 278 | 752 | 740 | 817 | 800 | 72 |
| Fruit juices (hl) 1/ | 35,112 | 31,539 | 33,888 | 31,500 | 3,190 | 995 | 698 | 728 | -- | 80 |
| Vegetables & preps. (mt) | 2,140 | 2,199 | 2,446 | 2,200 | 184 | 1,347 | 1,560 | 1,509 | 1,500 | 117 |
| Tobacco, unmanufactured (mt) | 191 | 208 | 224 | 210 | 20 | 556 | 606 | 634 | 600 | 56 |
| Cotton, unmanufactured (mt) | 31 | 41 | 38 | -- | 3 | 17 | 14 | 7 | -- | 1 |
| Seeds (mt) | 92 | 89 | 133 | 100 | 5 | 91 | 111 | 156 | 100 | 11 |
| Nursery stock & cut flowers 1/ | -- | -- | -- | -- | -- | 318 | 353 | 369 | -- | 30 |
| Sugar, cane or beet (mt) | 2,338 | 1,905 | 1,492 | 1,285 | 116 | 912 | 654 | 497 | -- | 41 |
| Oilseeds & products (mt) | 1,271 | 1,508 | 1,572 | 1,500 | 169 | 784 | 639 | 579 | 700 | 75 |
| Oilseeds (mt) | 253 | 197 | 165 | -- | 15 | 98 | 69 | 56 | -- | 5 |
| Protein meal (mt) | 159 | 138 | 245 | -- | 17 | 17 | 15 | 30 | -- | 3 |
| Vegetable oils (mt) | 859 | 1,173 | 1,162 | -- | 137 | 670 | 555 | 493 | -- | 68 |
| Beverages excl. fruit juices (hl) 1/ | 15,494 | 15,488 | 15,549 | -- | 1,353 | 1,622 | 1,848 | 1,923 | -- | 213 |
| Coffee, tea, cocoa, spices (mt) | 1,868 | 1,940 | 1,915 | -- | 143 | 4,983 | 6,099 | 4,867 | -- | 326 |
| Coffee, incl. products (mt) | 1,128 | 1,223 | 1,207 | 1,250 | 78 | 3,244 | 4,400 | 3,232 | 3,300 | 179 |
| Cocoa beans & products (mt) | 539 | 507 | 503 | 500 | 50 | 1,285 | 1,189 | 1,088 | 1,100 | 106 |
| Rubber & allied gums (mt) | 798 | 801 | 824 | 780 | 64 | 680 | 615 | 714 | 700 | 65 |
| Other | -- | -- | -- | -- | -- | 900 | 885 | 868 | -- | 75 |
| Total | -- | -- | -- | -- | -- | 19,740 | 20,875 | 20,643 | 20,500 | 1,683 |

*Fiscal years begin October 1 and end September 30. Fiscal year 1987 began Oct. 1, 1986 and ended Sept 30, 1987. -- = not available. 1/ Not included in total volume. 2/ Forecasts for footnoted items 2/-6/ are based on slightly different groups of commodities. Fiscal 1987 exports of categories used in the 1988 forecasts were 2/ 503 thousand mt. 3/ 1,204 thousand mt. 4/ 9,302 million. 5/ 3,086 million. i.e. includes flour. 6/ 10,003 thousand mt. F = forecast.

Information contact: Steve MacDonald (202) 786-1827.

Table 31.—U.S. Agricultural Exports by Region

| Region & country | Fiscal years* | | | | Nov | Change from year* earlier | | | | Nov |
|-----------------------------|---------------|--------|--------|--------|-------|---------------------------|------|------|--------|-------|
| | 1985 | 1986 | 1987 | 1988 F | 1987 | 1985 | 1986 | 1987 | 1988 F | 1987 |
| | \$ million | | | | | Percent | | | | |
| Western Europe | 7,163 | 6,846 | 7,204 | 7,500 | 821 | -22 | -5 | 5 | 4 | -5 |
| European Community (EC-12) | 6,668 | 6,431 | 6,773 | 7,000 | 784 | -23 | -4 | 5 | 3 | -4 |
| Belgium-Luxembourg | 470 | 361 | 423 | -- | 45 | -44 | -23 | 17 | -- | -22 |
| France | 396 | 431 | 495 | -- | 69 | -22 | 9 | 15 | -- | 13 |
| Germany, Fed. Rep. | 900 | 1,001 | 1,266 | -- | 118 | -29 | 11 | 26 | -- | -14 |
| Italy | 677 | 693 | 733 | -- | 55 | -12 | 2 | 6 | -- | -50 |
| Netherlands | 1,926 | 2,041 | 1,950 | -- | 211 | -14 | 6 | -4 | -- | 0 |
| United Kingdom | 628 | 628 | 662 | -- | 87 | -20 | 0 | 5 | -- | 7 |
| Portugal | 502 | 308 | 268 | -- | 57 | -28 | -39 | -13 | -- | 185 |
| Spain, Incl. Canary Islands | 832 | 723 | 654 | -- | 102 | -32 | -13 | -10 | -- | -7 |
| Other Western Europe | 515 | 415 | 432 | 500 | 37 | -16 | -19 | 4 | 16 | -29 |
| Switzerland | 232 | 128 | 145 | -- | 11 | -26 | -45 | 13 | -- | -27 |
| Eastern Europe | 532 | 447 | 453 | 500 | 34 | -28 | -16 | 1 | 10 | -17 |
| German Dem. Rep. | 81 | 52 | 66 | -- | 5 | -39 | -36 | 27 | -- | -44 |
| Poland | 126 | 42 | 63 | -- | 9 | -36 | -66 | 50 | -- | 350 |
| Yugoslavia | 137 | 134 | 131 | -- | 6 | -24 | -2 | -2 | -- | -63 |
| Romania | 88 | 112 | 115 | -- | 0 | -43 | 27 | 3 | -- | -100 |
| USSR | 2,525 | 1,105 | 659 | 1,500 | 69 | 1 | -56 | -40 | 128 | 100 |
| Asia | 11,933 | 10,493 | 11,990 | 13,900 | 1,259 | -22 | -12 | 14 | 16 | 27 |
| West Asia (Mideast) | 1,452 | 1,243 | 1,664 | 2,000 | 141 | -22 | -14 | 34 | 20 | -3 |
| Turkey | 129 | 111 | 120 | -- | 11 | -42 | -13 | 8 | -- | 38 |
| Iraq | 371 | 335 | 519 | 700 | 44 | -12 | -10 | 55 | 35 | 0 |
| Israel | 300 | 255 | 244 | -- | 21 | -15 | -15 | -4 | -- | 11 |
| Saudi Arabia | 381 | 335 | 489 | 500 | 49 | -23 | -12 | 46 | 2 | 19 |
| South Asia | 599 | 517 | 345 | -- | 57 | -31 | -14 | -33 | -- | 470 |
| Bangladesh | 205 | 94 | 111 | -- | 23 | 31 | -54 | 18 | -- | 667 |
| India | 129 | 90 | 93 | -- | 10 | -66 | -30 | 3 | -- | 100 |
| Pakistan | 228 | 285 | 98 | 200 | 21 | -20 | 25 | -66 | 104 | 950 |
| China | 239 | 83 | 235 | 500 | 78 | -65 | -65 | 183 | 113 | 1,200 |
| Japan | 5,663 | 5,139 | 5,553 | 6,200 | 593 | -18 | -9 | 8 | 12 | 17 |
| Southeast Asia | 842 | 724 | 707 | -- | 79 | -31 | -14 | -2 | -- | 32 |
| Indonesia | 204 | 172 | 152 | -- | 22 | -53 | -16 | -12 | -- | 57 |
| Philippines | 285 | 269 | 259 | 300 | 23 | -5 | -6 | -4 | 16 | 5 |
| Other East Asia | 3,138 | 2,788 | 3,485 | 4,000 | 311 | -14 | -11 | 25 | 15 | 16 |
| Taiwan | 1,342 | 1,108 | 1,354 | 1,500 | 112 | -5 | -17 | 22 | 11 | -9 |
| Korea, Rep. | 1,400 | 1,277 | 1,693 | 2,000 | 150 | -23 | -9 | 33 | 18 | 35 |
| Hong Kong | 396 | 400 | 436 | 400 | 49 | -3 | 1 | 9 | -8 | 44 |
| Africa | 2,527 | 2,134 | 1,784 | 2,100 | 164 | -12 | -16 | -16 | 18 | 36 |
| North Africa | 1,207 | 1,401 | 1,279 | 1,600 | 112 | -22 | 16 | -9 | 25 | 37 |
| Morocco | 156 | 159 | 196 | -- | 11 | -54 | 2 | 23 | -- | 57 |
| Algeria | 220 | 329 | 244 | 300 | 41 | 36 | 50 | -26 | 23 | 413 |
| Egypt | 766 | 875 | 762 | 900 | 59 | -13 | 14 | -13 | 18 | -3 |
| Sub-Saharan | 1,320 | 733 | 505 | 600 | 51 | -1 | -44 | -31 | 19 | 31 |
| Nigeria | 367 | 158 | 67 | -- | 5 | 6 | -57 | -58 | -- | -29 |
| Rep. S. Africa | 189 | 70 | 49 | -- | 11 | -64 | -63 | -30 | -- | 267 |
| Latin America & Caribbean | 4,570 | 3,598 | 3,767 | 4,100 | 304 | -13 | -21 | 5 | 9 | -9 |
| Brazil | 557 | 445 | 418 | 600 | 33 | 27 | -20 | -6 | 44 | -64 |
| Caribbean Islands | 771 | 752 | 829 | -- | 76 | -7 | -2 | 10 | -- | 1 |
| Central America | 361 | 334 | 377 | -- | 33 | -9 | -7 | 13 | -- | 32 |
| Colombia | 238 | 137 | 115 | -- | 12 | 8 | -42 | -16 | -- | 300 |
| Mexico | 1,566 | 1,114 | 1,216 | 1,400 | 85 | -20 | -29 | 9 | 15 | 6 |
| Peru | 106 | 108 | 140 | -- | 11 | -53 | 2 | 30 | -- | -15 |
| Venezuela | 721 | 493 | 459 | 500 | 32 | -7 | -32 | -7 | 9 | 19 |
| Canada | 1,727 | 1,466 | 1,787 | 2,000 | 153 | -11 | -15 | 22 | 12 | 13 |
| Oceania | 204 | 216 | 230 | 200 | 21 | -6 | 6 | 6 | -13 | 11 |
| Total | 31,201 | 26,307 | 27,874 | 32,000 | 2,825 | -18 | -16 | 6 | 15 | 12 |
| Developed countries | 15,325 | 13,952 | 15,027 | 16,000 | 1,616 | -21 | -8 | 8 | 6 | 5 |
| Less developed countries | 12,680 | 10,719 | 11,500 | 13,500 | 1,028 | -15 | -15 | 7 | 17 | 12 |
| Centrally planned countries | 3,296 | 1,636 | 1,347 | 2,500 | 181 | -16 | -50 | -18 | 86 | 285 |

*Fiscal years begin October 1 and end September 30. Fiscal year 1987 began Oct. 1, 1986 and ended Sept. 30, 1987. F = forecast.
 Note: Adjusted for transshipments through Canada.

Information contact: Steve MacDonald (202) 786-1827.

Farm Income

Table 32.—Farm Income Statistics

| | Calendar years | | | | | | | | | | |
|--|----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------------|
| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 F | 1988 F |
| | \$ billion | | | | | | | | | | |
| 1. Farm receipts | 114.3 | 133.8 | 142.0 | 144.1 | 147.1 | 141.1 | 146.7 | 149.2 | 140.2 | 138 | 139 to 141 |
| Crops (incl. net CCC loans) | 53.2 | 62.3 | 71.7 | 72.5 | 72.3 | 67.1 | 69.4 | 74.4 | 63.6 | 59 | 62 to 65 |
| Livestock | 59.2 | 69.2 | 68.0 | 69.2 | 70.3 | 69.4 | 72.9 | 69.8 | 71.6 | 74 | 72 to 74 |
| Farm related 1/ | 1.9 | 2.2 | 2.3 | 2.5 | 4.5 | 4.5 | 4.4 | 5.0 | 5.1 | 5 | 4 to 6 |
| 2. Direct Government Payments | 3.0 | 1.4 | 1.3 | 1.9 | 3.5 | 9.3 | 8.4 | 7.7 | 11.8 | 17 | 13 to 15 |
| Cash Payments | 3.0 | 1.4 | 1.3 | 1.9 | 3.5 | 4.1 | 4.0 | 7.6 | 8.1 | 9 | 6 to 8 |
| Value of PIK commodities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.2 | 4.5 | 0.1 | 3.7 | 8 | 7 to 9 |
| 3. Total gross farm income (4+5+6) 2/ | 128.4 | 150.7 | 149.3 | 166.3 | 163.5 | 153.1 | 174.7 | 166.0 | 159.5 | 163 | 161 to 163 |
| 4. Gross cash income (1+2) | 117.3 | 135.1 | 143.3 | 146.0 | 150.6 | 150.4 | 155.1 | 156.9 | 152.0 | 156 | 154 to 156 |
| 5. Nonmoney income 3/ | 9.3 | 10.6 | 12.3 | 13.8 | 14.3 | 13.5 | 13.4 | 11.8 | 10.8 | 10 | 7 to 9 |
| 6. Value of inventory change | 1.9 | 5.0 | -6.3 | 6.5 | -1.4 | -10.9 | 6.2 | -2.7 | -3.3 | -2 | 0 to 1 |
| 7. Cash expenses 4/ | 84.2 | 101.7 | 108.1 | 113.2 | 112.5 | 113.3 | 116.3 | 109.6 | 100.1 | 99 | 99 to 101 |
| 8. Total expenses | 103.2 | 123.3 | 133.1 | 139.4 | 140.0 | 140.4 | 142.7 | 133.7 | 122.1 | 119 | 119 to 121 |
| 9. Net cash income (4-7) | 33.1 | 33.4 | 34.2 | 32.8 | 38.1 | 37.1 | 38.8 | 47.3 | 52.0 | 57 | 50 to 55 |
| 10. Net farm income (3-8) | 25.2 | 27.4 | 16.1 | 26.9 | 23.5 | 12.7 | 32.0 | 32.3 | 37.5 | 45 | 40 to 48 |
| Deflated (1982\$) | 34.9 | 34.9 | 18.8 | 28.6 | 23.5 | 12.2 | 29.7 | 29.1 | 32.9 | 38 | 34 to 38 |
| 11. Off-farm income | 29.7 | 33.8 | 34.7 | 35.8 | 36.4 | 37.0 | 38.3 | 42.5 | 44.7 | 48 | 48 to 50 |
| 12. Loan changes 5/: Real estate | 7.6 | 13.0 | 9.3 | 8.4 | 4.0 | 2.5 | -0.8 | -5.6 | -7.3 | -6 | -4 to -8 |
| 13. 5/: Nonreal estate | 8.3 | 10.9 | 5.8 | 6.2 | 3.4 | 1.0 | -0.8 | -9.2 | -10.5 | -9 | -3 to -7 |
| 14. Rental income plus monetary change | 4.1 | 6.3 | 6.1 | 6.4 | 6.3 | 5.3 | 8.9 | 8.8 | 7.8 | 7 | 7 to 9 |
| 15. Capital expenditures 5/ | 17.9 | 19.9 | 18.0 | 16.8 | 13.3 | 12.7 | 12.5 | 9.6 | 8.6 | 7 | 7 to 9 |
| 16. Net cash flow 18+12+13+14-15) | 35.1 | 43.7 | 37.5 | 37.9 | 38.4 | 33.6 | 33.6 | 31.6 | 33.4 | 43 | 40 to 45 |

1/ Income from machine hire, custom work, sales of forest products, and other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food and imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, and farm household expenses. 5/ Excludes farm households. Totals may not add because of rounding. F = forecast.

Information contact: Richard Kofl (202) 786-1808.

Table 33.—Balance Sheet of the U.S. Farming Sector

| | Calendar years 1/ | | | | | | | | | | |
|----------------------------|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------------|
| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 F | 1988 F |
| | \$ billion | | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Real estate | 601.8 | 706.2 | 782.9 | 784.7 | 748.8 | 739.6 | 639.6 | 558.9 | 510.1 | 530 | 530 to 540 |
| Non-real estate | 175.3 | 201.6 | 213.2 | 212.0 | 212.2 | 205.4 | 208.9 | 191.2 | 181.5 | 179 | 174 to 179 |
| Livestock & poultry | 51.3 | 61.4 | 60.6 | 53.5 | 53.0 | 49.7 | 49.6 | 46.3 | 47.6 | 48 | 47 to 50 |
| Machinery & motor vehicles | 75.5 | 85.8 | 93.1 | 101.4 | 102.0 | 100.8 | 96.9 | 87.7 | 80.4 | 76 | 71 to 75 |
| Crops stored 2/ | 25.3 | 29.2 | 33.0 | 29.1 | 27.7 | 23.7 | 29.6 | 23.1 | 18.4 | 19 | 15 to 21 |
| Financial assets | 23.1 | 25.3 | 26.5 | 28.0 | 29.5 | 31.3 | 32.8 | 34.2 | 35.0 | 36 | 35 to 39 |
| Total farm assets | 777.2 | 907.8 | 996.1 | 996.7 | 961.0 | 945.0 | 848.5 | 750.1 | 691.6 | 712 | 705 to 730 |
| Liabilities | | | | | | | | | | | |
| Real estate 3/ | 66.7 | 79.7 | 89.6 | 98.7 | 102.5 | 104.8 | 103.7 | 97.7 | 88.1 | 83 | 75 to 81 |
| Non-real estate 4/ | 60.7 | 71.8 | 77.1 | 83.6 | 87.0 | 87.9 | 87.1 | 77.5 | 66.8 | 58 | 53 to 57 |
| Total farm liabilities | 127.4 | 151.6 | 166.8 | 182.3 | 189.5 | 192.7 | 190.8 | 175.2 | 155.0 | 141 | 128 to 138 |
| Total farm equity | 649.7 | 756.2 | 829.3 | 814.4 | 771.5 | 752.3 | 657.7 | 574.9 | 536.6 | 571 | 575 to 595 |
| | Percent | | | | | | | | | | |
| Selected ratios | | | | | | | | | | | |
| Debt-to-assets | 16.4 | 16.7 | 16.7 | 18.3 | 19.7 | 20.4 | 22.5 | 23.4 | 22.4 | 20 | 17 to 20 |
| Debt-to-equity | 19.6 | 20.0 | 20.1 | 22.4 | 24.6 | 25.6 | 29.0 | 30.5 | 28.9 | 25 | 20 to 24 |
| Debt-to-net cash income | 385 | 454 | 488 | 556 | 497 | 519 | 492 | 370 | 298 | 245 | 230 to 250 |

1/ As of December 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 786-1798.

Table 34.—Cash Receipts from Farm Marketings, by State

| Region State | Livestock & Products | | | | Crops 1/ | | | | Total 1/ | | | |
|-----------------------|----------------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|----------------|----------------|---------------|---------------|
| | 1985 | 1986 | Oct 1987 | Nov 1987 | 1985 | 1986 | Oct 1987 | Nov 1987 | 1985 | 1986 | Oct 1987 | Nov 1987 |
| | \$ million 2/ | | | | | | | | | | | |
| North Atlantic | | | | | | | | | | | | |
| Maine | 229 | 223 | 19 | 19 | 137 | 143 | 13 | 13 | 366 | 365 | 32 | 32 |
| New Hampshire | 70 | 72 | 6 | 6 | 36 | 38 | 4 | 4 | 106 | 109 | 9 | 10 |
| Vermont | 354 | 361 | 31 | 30 | 34 | 36 | 2 | 8 | 387 | 398 | 33 | 38 |
| Massachusetts | 128 | 131 | 10 | 11 | 262 | 292 | 33 | 49 | 389 | 423 | 44 | 60 |
| Rhode Island | 14 | 12 | 1 | 1 | 62 | 63 | 4 | 4 | 76 | 75 | 5 | 5 |
| Connecticut | 205 | 210 | 16 | 17 | 150 | 162 | 13 | 12 | 354 | 372 | 28 | 29 |
| New York | 1,847 | 1,809 | 158 | 151 | 730 | 724 | 71 | 71 | 2,578 | 2,533 | 229 | 223 |
| New Jersey | 144 | 150 | 12 | 13 | 443 | 430 | 36 | 36 | 587 | 580 | 48 | 49 |
| Pennsylvania | 2,184 | 2,239 | 189 | 186 | 1,003 | 926 | 78 | 84 | 3,187 | 3,165 | 268 | 279 |
| North Central | | | | | | | | | | | | |
| Ohio | 1,515 | 1,566 | 149 | 136 | 2,602 | 2,043 | 390 | 308 | 4,117 | 3,610 | 539 | 444 |
| Indiana | 1,728 | 1,852 | 170 | 165 | 3,063 | 2,258 | 605 | 403 | 4,791 | 4,110 | 776 | 568 |
| Illinois | 2,055 | 2,143 | 189 | 165 | 5,915 | 4,737 | 673 | 583 | 7,970 | 6,880 | 862 | 747 |
| Michigan | 1,231 | 1,236 | 106 | 95 | 1,692 | 1,429 | 136 | 211 | 2,923 | 2,664 | 241 | 306 |
| Wisconsin | 4,058 | 4,164 | 377 | 354 | 1,019 | 892 | 100 | 161 | 5,075 | 5,057 | 477 | 515 |
| Minnesota | 3,370 | 3,395 | 326 | 315 | 3,223 | 2,680 | 199 | 494 | 6,594 | 6,074 | 525 | 809 |
| Iowa | 4,883 | 4,982 | 473 | 486 | 4,582 | 4,124 | 512 | 789 | 9,465 | 9,106 | 984 | 1,274 |
| Missouri | 1,924 | 1,930 | 202 | 222 | 1,763 | 1,586 | 208 | 247 | 3,688 | 3,516 | 410 | 469 |
| North Dakota | 687 | 676 | 79 | 105 | 2,001 | 1,623 | 162 | 185 | 2,688 | 2,299 | 241 | 230 |
| South Dakota | 1,900 | 1,525 | 219 | 223 | 1,157 | 938 | 150 | 180 | 3,057 | 2,463 | 369 | 403 |
| Nebraska | 4,113 | 4,260 | 507 | 414 | 3,227 | 2,669 | 279 | 459 | 7,341 | 6,928 | 786 | 873 |
| Kansas | 3,336 | 3,447 | 304 | 284 | 2,552 | 1,978 | 168 | 300 | 5,888 | 5,425 | 473 | 583 |
| Southern | | | | | | | | | | | | |
| Delaware | 353 | 402 | 27 | 25 | 139 | 118 | 20 | 13 | 492 | 520 | 47 | 38 |
| Maryland | 764 | 814 | 59 | 53 | 456 | 371 | 44 | 39 | 1,220 | 1,186 | 103 | 92 |
| Virginia | 1,062 | 1,127 | 144 | 97 | 623 | 486 | 90 | 65 | 1,684 | 1,613 | 233 | 162 |
| West Virginia | 191 | 156 | 16 | 14 | 56 | 71 | 6 | 6 | 247 | 227 | 22 | 20 |
| North Carolina | 1,958 | 2,174 | 175 | 183 | 1,971 | 1,608 | 313 | 142 | 3,929 | 3,782 | 488 | 325 |
| South Carolina | 415 | 455 | 43 | 40 | 621 | 440 | 50 | 37 | 1,036 | 894 | 93 | 77 |
| Georgia | 1,727 | 1,882 | 146 | 122 | 1,550 | 1,324 | 331 | 261 | 3,277 | 3,206 | 477 | 383 |
| Florida | 1,022 | 1,000 | 90 | 83 | 3,681 | 3,688 | 160 | 245 | 4,704 | 4,688 | 251 | 328 |
| Kentucky | 1,352 | 1,311 | 110 | 232 | 1,583 | 1,079 | 56 | 128 | 2,934 | 2,389 | 166 | 360 |
| Tennessee | 1,000 | 1,033 | 112 | 89 | 1,091 | 891 | 140 | 178 | 2,091 | 1,924 | 252 | 267 |
| Alabama | 1,301 | 1,431 | 127 | 101 | 773 | 578 | 138 | 113 | 2,074 | 2,009 | 266 | 213 |
| Mississippi | 1,011 | 1,044 | 94 | 74 | 1,240 | 741 | 318 | 209 | 2,250 | 1,785 | 412 | 283 |
| Arkansas | 1,825 | 2,017 | 207 | 175 | 1,607 | 1,005 | 345 | 192 | 3,433 | 3,022 | 552 | 367 |
| Louisiana | 491 | 503 | 49 | 44 | 993 | 869 | 192 | 198 | 1,485 | 1,372 | 241 | 242 |
| Oklahoma | 1,726 | 1,875 | 185 | 165 | 957 | 746 | 46 | 88 | 2,683 | 2,622 | 231 | 253 |
| Texas | 5,441 | 5,516 | 541 | 530 | 3,841 | 2,928 | 240 | 339 | 9,282 | 8,444 | 780 | 869 |
| Western | | | | | | | | | | | | |
| Montana | 804 | 720 | 155 | 151 | 422 | 493 | 50 | 82 | 1,226 | 1,213 | 205 | 233 |
| Idaho | 874 | 884 | 100 | 97 | 1,218 | 1,042 | 179 | 183 | 2,093 | 1,925 | 279 | 279 |
| Wyoming | 478 | 455 | 89 | 95 | 123 | 111 | 8 | 31 | 600 | 566 | 97 | 126 |
| Colorado | 2,084 | 2,218 | 266 | 225 | 1,097 | 890 | 74 | 124 | 3,181 | 3,109 | 340 | 349 |
| New Mexico | 718 | 708 | 108 | 83 | 368 | 302 | 31 | 46 | 1,086 | 1,010 | 139 | 129 |
| Arizona | 693 | 699 | 68 | 43 | 813 | 796 | 50 | 89 | 1,506 | 1,495 | 118 | 131 |
| Utah | 413 | 437 | 42 | 43 | 142 | 134 | 16 | 13 | 555 | 570 | 58 | 56 |
| Nevada | 144 | 160 | 17 | 10 | 81 | 72 | 7 | 7 | 225 | 232 | 24 | 17 |
| Washington | 926 | 981 | 93 | 90 | 1,908 | 1,812 | 228 | 135 | 2,834 | 2,793 | 321 | 225 |
| Oregon | 622 | 649 | 77 | 74 | 1,115 | 1,135 | 140 | 106 | 1,737 | 1,784 | 217 | 180 |
| California | 4,324 | 4,446 | 436 | 373 | 8,826 | 9,602 | 1,186 | 1,275 | 14,150 | 14,049 | 1,622 | 1,648 |
| Alaska | 8 | 10 | 1 | 1 | 18 | 19 | 3 | 3 | 26 | 29 | 3 | 3 |
| Hawaii | 83 | 84 | 7 | 7 | 443 | 491 | 43 | 41 | 526 | 575 | 50 | 48 |
| United States | 69,780 | 71,873 | 7,129 | 6,716 | 74,413 | 63,612 | 8,340 | 8,995 | 144,193 | 135,185 | 15,469 | 15,711 |

1/ Sales of farm products include receipts from commodities placed under CCC loans minus value of redemptions during the period.

2/ Estimates as of the end of current month. Rounded data may not add.

Information contact: Roger Strickland (202) 786-1804.

Table 35.—Cash Receipts from Farming

| | Annual ¹ | | | | | | 1986 | 1987 | | | | |
|---------------------------------|---------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | Nov | July | Aug | Sept | Oct | Nov |
| | \$ million | | | | | | | | | | | |
| Farm marketings and CCC loans * | 141,616 | 142,594 | 136,560 | 142,314 | 144,193 | 135,185 | 15,663 | 9,991 | 9,810 | 11,662 | 15,469 | 15,711 |
| Livestock and products | 69,191 | 70,257 | 68,437 | 72,936 | 69,780 | 71,573 | 6,613 | 6,183 | 6,335 | 6,535 | 7,129 | 6,716 |
| Meat animals | 39,748 | 40,917 | 38,893 | 40,832 | 38,589 | 39,137 | 3,697 | 3,500 | 3,826 | 4,002 | 4,554 | 4,036 |
| Dairy products | 18,095 | 18,234 | 18,763 | 17,944 | 18,063 | 17,824 | 1,468 | 1,455 | 1,468 | 1,423 | 1,501 | 1,465 |
| Poultry and eggs | 9,949 | 9,520 | 9,979 | 12,192 | 11,191 | 12,678 | 1,188 | 908 | 908 | 934 | 948 | 954 |
| Other | 1,358 | 1,586 | 1,801 | 1,968 | 1,937 | 1,934 | 260 | 321 | 134 | 177 | 126 | 260 |
| Crops | 72,465 | 72,338 | 67,143 | 69,378 | 74,413 | 63,612 | 9,050 | 3,808 | 3,475 | 5,126 | 8,340 | 8,995 |
| Food grains | 11,619 | 11,412 | 9,713 | 9,576 | 9,080 | 5,948 | 425 | 722 | 537 | 744 | 606 | 346 |
| Feed crops | 17,770 | 17,409 | 15,535 | 15,831 | 22,479 | 17,848 | 3,060 | 477 | 436 | 637 | 1,795 | 2,762 |
| Cotton (lint and seed) | 4,055 | 4,457 | 3,705 | 3,270 | 3,730 | 2,920 | 659 | 166 | 94 | 154 | 830 | 859 |
| Tobacco | 3,250 | 3,342 | 2,768 | 2,841 | 2,722 | 1,918 | 182 | 7 | 295 | 549 | 207 | 159 |
| Oil-bearing crops | 13,853 | 13,817 | 13,546 | 13,894 | 12,595 | 10,507 | 2,062 | 355 | 195 | 525 | 2,358 | 2,053 |
| Vegetables and melons | 8,772 | 8,063 | 8,462 | 9,142 | 8,558 | 8,705 | 471 | 661 | 813 | 902 | 863 | 426 |
| Fruits and tree nuts | 6,603 | 6,846 | 6,064 | 6,768 | 6,836 | 6,900 | 922 | 904 | 612 | 855 | 906 | 1,074 |
| Other | 6,543 | 6,993 | 7,352 | 8,057 | 8,413 | 8,865 | 1,270 | 516 | 493 | 761 | 775 | 1,317 |
| Government payments | 1,932 | 3,492 | 9,295 | 8,430 | 7,704 | 11,813 | 301 | 281 | 385 | 207 | 1,696 | 84 |
| Total | 143,548 | 146,086 | 145,875 | 150,744 | 151,897 | 146,998 | 15,964 | 10,272 | 10,195 | 11,869 | 17,065 | 15,795 |

* Receipts from loans represent value of commodities placed under CCC loans minus value of redemptions during the month.

Information contact: Roger Strickland (202) 786-1804.

Table 36.—Farm Production Expenses

| | Calendar years | | | | | | | | | |
|--|----------------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|
| | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 F | 1988 F |
| | \$ million | | | | | | | | | |
| Feed | 19,314 | 20,971 | 20,855 | 18,592 | 21,725 | 19,852 | 18,015 | 16,179 | 15,600 | 16,000 to 18,000 |
| Livestock | 13,012 | 10,670 | 8,999 | 9,684 | 8,814 | 9,498 | 8,996 | 9,609 | 11,600 | 10,000 to 12,000 |
| Seed | 2,904 | 3,220 | 3,428 | 3,172 | 2,993 | 3,448 | 3,350 | 2,984 | 2,600 | 2,200 to 3,200 |
| Farm-origin inputs | 35,230 | 34,861 | 33,282 | 31,448 | 33,532 | 32,798 | 30,361 | 28,772 | 29,700 | 29,000 to 32,000 |
| Fertilizer | 7,369 | 9,491 | 9,409 | 8,018 | 7,067 | 7,429 | 7,259 | 5,787 | 5,000 | 5,000 to 6,000 |
| Fuels and oils | 5,635 | 7,879 | 8,570 | 7,888 | 7,503 | 7,143 | 6,584 | 4,790 | 4,500 | 4,200 to 5,200 |
| Electricity | 1,447 | 1,526 | 1,747 | 2,041 | 2,146 | 2,166 | 2,150 | 2,421 | 2,200 | 2,000 to 3,000 |
| Pesticides | 3,436 | 3,539 | 4,201 | 4,282 | 4,154 | 4,767 | 4,817 | 4,331 | 3,900 | 3,300 to 4,300 |
| Manufactured inputs | 17,887 | 22,435 | 23,927 | 22,229 | 20,870 | 21,505 | 20,840 | 17,029 | 15,500 | 15,000 to 17,000 |
| Short-term interest | 6,868 | 8,717 | 10,722 | 11,349 | 10,615 | 10,396 | 8,821 | 7,795 | 6,500 | 5,300 to 6,300 |
| Real estate interest 1/ | 6,190 | 7,544 | 9,142 | 10,481 | 10,815 | 10,733 | 9,678 | 9,131 | 8,000 | 7,300 to 8,300 |
| Total interest charges | 13,058 | 16,261 | 19,864 | 21,830 | 21,430 | 21,129 | 18,699 | 16,926 | 14,500 | 13,000 to 15,000 |
| Repair and operation 1/ 2/ | 6,754 | 7,075 | 7,021 | 6,428 | 6,529 | 6,416 | 6,370 | 6,426 | 6,600 | 6,500 to 7,500 |
| Hired labor | 8,981 | 9,293 | 8,931 | 10,075 | 9,726 | 9,729 | 9,792 | 9,875 | 10,300 | 10,000 to 12,000 |
| Machine hire and custom work | 2,063 | 1,823 | 1,984 | 2,025 | 1,896 | 2,170 | 2,184 | 1,791 | 1,700 | 1,200 to 2,200 |
| Marketing, storage, and transportation | 3,162 | 3,070 | 3,523 | 4,301 | 3,904 | 4,012 | 4,127 | 3,652 | 3,500 | 3,500 to 4,500 |
| Misc. operating expenses 1/ | 6,771 | 6,881 | 6,909 | 7,262 | 8,439 | 8,450 | 7,942 | 7,344 | 6,200 | 6,000 to 7,000 |
| Other operating expenses | 27,732 | 28,142 | 28,368 | 30,889 | 31,143 | 31,433 | 30,579 | 29,519 | 30,000 | 29,000 to 32,000 |
| Capital consumption 1/ | 19,345 | 21,474 | 23,573 | 24,287 | 23,873 | 23,105 | 20,891 | 18,997 | 17,500 | 16,000 to 17,000 |
| Taxes 1/ | 3,871 | 3,891 | 4,246 | 4,036 | 4,469 | 4,059 | 4,231 | 4,125 | 4,200 | 3,700 to 4,700 |
| Net rent to non-operator landlord | 6,182 | 6,075 | 6,184 | 6,059 | 5,060 | 8,640 | 8,124 | 6,684 | 7,400 | 7,000 to 8,000 |
| Other overhead expenses | 29,398 | 31,440 | 34,003 | 34,381 | 33,402 | 35,805 | 33,247 | 29,806 | 28,200 | 26,000 to 29,000 |
| Total production expenses | 123,305 | 133,139 | 139,444 | 139,978 | 140,375 | 142,669 | 133,696 | 122,052 | 118,500 | 119,000 to 121,000 |

1/ Includes operator dwellings. 2/ Beginning in 1982, misc. operating expenses includes other livestock purchases and dairy assessments. Totals may not add due to rounding. F = forecast.

Information contacts: Richard Kodl (202) 786-1808; Chris McGath (202) 786-1804.



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